

EUROPEAN NEWS

Polish team
in Moscow
talks on aid

BY DAVID SATTER IN MOSCOW

A POLISH economic delegation headed by Mr. Mieczyslaw Jagielski, Deputy Prime Minister, arrived in Moscow yesterday for talks with Soviet officials which were expected to focus on the amount and conditions of Soviet financial aid.

Mr. Jagielski announced earlier this month in Warsaw that the Soviet Union had proposed a package of material and financial aid for Poland in the wake of the recent wave of strikes. The Polish Government said the strikes had cost the country an estimated \$1bn (\$417m).

The Soviet news agency, Tass, in a brief report, said that the members of the Polish delegation met Mr. Ivan Arkhipov, a Deputy Prime Minister, Mr. Nikolai Baibakov, head of the Soviet Planning Commission, and Mr. Mikhail Kuzmin, First Deputy Foreign Trade Minister.

The Poles owe an estimated \$200m to the West and the Soviet Press has recently published an unusual report on the scale of Polish indebtedness and the cost of debt-servicing which was seen in Moscow as an oblique form of criticism.

Tass said the initial economic talks in Moscow were held in a "warm and friendly atmosphere" but there was no indication how much the Soviet Union was prepared to loan to Poland or on what terms.

Soviet net hard currency indebtedness is estimated to be only about \$5bn and the Soviet credit position has been excellent. Observers speculated that, under the pressure of the current situation in Poland, the Russians might divert hard currency to Poland to help the Poles buy needed consumer goods.

Reger Boyes reports from Bonn: West Germany is optimistic that Warsaw will continue to play an important part in the dialogue between East and West despite the change in the Polish leadership. But, at the same time, Bonn has warned—in an apparent signal to Moscow—against any outside interference in Polish affairs.

These views were voiced by Herr Hans Dietrich Genscher, the German Foreign Minister, partly at a Cabinet meeting yesterday and partly in a speech given to mark the visit of Mr. Frigyes Pujia, the Hungarian Foreign Minister. Mr. Pujia is the first senior East European official to visit Bonn since the beginning of the Polish troubles.

Political crisis 'has
not run its course'

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S political crisis has still not run its course and the reform process will not be easy, a Writers' Union meeting in Warsaw has been warned by Mr. Mieczyslaw Rakowski, a Communist Party Central Committee member.

Mr. Rakowski, editor of the weekly *Polityka* which reflects liberal opinion in the party, told the meeting that it was the "structures of the system" which were the basic cause of the present crisis.

"Mr. Giersek misunderstood this. He thought the unrest could be settled by granting wage increases, and there are still some people who think that," he said.

But the system introduced in Poland after the war was modelled "on the way the Soviet Union, which has quite different traditions, was run in the 1930s." Those structures are "unable to cope with the demands of a modern society."

Mr. Rakowski admitted that changes would be opposed. "There are those who will not want to change and they will have to go, but before they do, they will put up a fight."

The state of the economy meant that if reforms were introduced it would be some time before they produced effects. Another problem was that the Polish Communist Party "does not have, nor did have in the past, a strong intellectual background."

Mr. Rakowski warned that the process of change would also be limited by the fact that "what was happening in Poland had worried our allies."

Mr. Andrzej Szczępiński, a writer, told the meeting that what was needed was "a reflection and scepticism." Many of those present had experienced more than one period of promised renewal which had come to nothing, he

declared. But he did suggest that "maybe this time we can do something" to ensure that concrete gains are achieved.

The key issue for the writers is that the authorities must be made to stick to their pledge to limit the powers of the State censor. The Government has promised to present a draft law within three months which will clearly define which subjects can be censored and will provide a right of appeal against decisions.

This was one of the demands of the strikers on the Baltic coast last month. "The workers' achievements mustn't be wasted — they fought for our rights and the least we can do is to join in the struggle for reforms," Mr. Szczępiński said.

Mr. Jan Józef Lipski, a literary critic and one of the founders of the KOR human rights group, criticised the union for not doing enough in the past to defend dissidents and their working-class sympathisers.

"The workers have given us a platform on the censorship issue, now we should help them set up the independent trade unions," he said.

The unrest which has swept through Polish industry since the beginning of July is now spreading to other intellectuals.

Next week, representatives of various creative associations, such as musicians and filmmakers, are to meet.

"Experience and the Future," a discussion group of prominent experts and academics from various fields who, in the past, were discouraged by the authorities from meeting, have decided to come together.

Industrial unrest continued in Poland yesterday and strikes were reported in the towns of Białystok, Suwałki and Tarnobrzeg. New strikes have also started in Koszalin, Łódź and Radom.

The newspaper, *Le Monde*, said yesterday that it was thought he had aroused opposition over his handling of African affairs, particularly with regard to Libya.

THE HEAD of intelligence of the French Secret Service, Col. Alain de Gaigneron de Marolles, has resigned — the third man to quit in the space of four years.

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Three key Ministers retain their posts. They are Mr. Nicolas Rolando, Foreign Affairs, Mr. Alexis Afentou, Finance, and Mr. Christodoulos Venia-

min, Interior and Defence. The Ministers are mainly technocrats without a party background.

AKEL, the powerful Communist Party which helped Mr. Kyprianou to become President in 1975, has attacked them for "representing nobody." It was particularly incensed at the replacement of Dr. Sofianos and charged Mr. Kyprianou with losing the people's confidence.

The new Cabinet has also been assailed by the Democratic Rally, the Right-wing opposition party led by Mr. Glafkos Clerides, the former Greek

Cypriot negotiator in the inter-communal talks. But the attack by AKEL is more worrying since the party is probably the largest in Cyprus, as well as having the largest share of the vote in the world of any Communist Party not in power.

AKEL now says that it is withdrawing its support and its members say that they will press for parliamentary elections to be brought forward from next summer. These elections will be under the system of reinforced proportional representation instead of the first-past-the-post system bequeathed by the British.

There are strong signs that more than half Mr. Thorn's colleagues will be reappointed to the present Commission, although the case for a bigger infusion of new blood is virtually unanswerable. Thus, Messrs Ortoli and Cheysson (France), Haferkamp (West Germany), Gundlach (Denmark), Natali and Giliotti (Italy), Davignon (Belgium) and Tugendhat (UK) may well be present at that long night in early January when every four years the Commissioners stage a ritual and bloody battle behind closed doors over who gets what job.

In choosing the new Commissioners, very few of the 10 Community members will give a strong weighting to the criteria of excellent fitness for the task. The Big Four — France, West Germany, the UK and Italy — usually strive for political balance by allocating one of their Commission slots to coalition partners or the main opposition party. As a result, political jobbery abounds, while the candidate

from the governing party may be a political lightweight. The European Parliament, which wants a stronger role in approving the Commission's president, his colleagues and their programme, can and will be largely ignored by the Ten. It is already clear that because its activities are very largely limited to examining opinions on Commission proposals, the new directly elected Parliament is unlikely to offer the Community a consistent dose of adrenalin. Its use last year of its strongest weapon, rejection of the Community budget, is unlikely to be repeated in the next four months, although the reorientation of Community expenditure away from agriculture in the 1981 draft is extremely modest.

Many people are pinning their hopes for a revival of the Community's sense of direction on the passing of the West German elections next month and the French presidential election next April. If Chancellor Helmut Schmidt or President Valéry Giscard d'Estaing are returned, it is said, they will address themselves to the necessary institutional and policy reforms. The combined pressures of looming bankruptcy for the Community budget and membership negotiations with Spain and Portugal could yield a new "Grand Design" for Europe. Hope springs eternal.

Ceausescu woos the Romanian consumer

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

IN A terse six-line news item broadcast over Radio Bucharest last night the Romanian Communist regime led by President Nicolae Ceausescu announced that the Government had decided to cut the equivalent of \$500m (\$208m) from this year's military and domestic budget to ensure "a steady rise in living standards" and socio-economic development.

This represents the clearest indication so far that the Romanian authorities are worried about the possibility that the current worker unrest in Poland could spill over into Romania.

Romania has the lowest standard of living among the East European countries and an even worse meat and food supply problem than Poland. It also has by far the most obtrusive internal security forces in Eastern Europe, dedicated to suppressing all signs of opposition to the highly personalised and authoritarian rule of President Ceausescu and his policies of rapid industrialisation.

Romania's internal economic situation has deteriorated sharply over the last year in response to the rise in oil prices, which has struck a major blow at economic policies based largely on an extensive petro-chemical industry and other energy intensive industries. Historically this was justified by Romania's own domestic oil supplies but Romanian self-efficiency ended in the mid 1970s as a result of depleted oil reserves and rising demands from industry.

The turmoil in Iran caused further complications as Romania had contracted to purchase 5m tons annually from the Shah. The breakdown of this contract caused Romanian leaders to seek alternative suppliers, including the Soviet Union which agreed to supply

400,000 tons last year and 1m tons in 1980. This Soviet oil, like the rest of the 8m tons it requires each year to supplement domestic output of around 14m tons, has to be paid for in hard currency, and at world prices.

To find this currency Romania has been obliged to increase its foreign borrowing, which stood at an estimated \$6.5bn at the end of 1979, and divert supplies already in short supply from the domestic market to export. This has further exacerbated problems over meat and food supplies which were already short owing to past neglect of agricultural investment and floods this year.

Now Romania has embarked upon a policy of crash development of its indigenous coal and hydro-power resources and nuclear energy using Canadian technology and finance. Coal

output has however remained stubbornly below the ambitious, and probably unrealistic targets. Harsh and dangerous working conditions and bad food supplies sparked a major strike in the Jiu valley coalfields in 1977 and simmering unrest continues both there and at other industrial centres.

Last year Mr. Ceausescu embarked on a sharp crackdown on dissidents and similar action is reported against the 2,000-strong Free Union of Rumanian workers, which demanded legal recognition last spring.

Last week however, in a significant departure from past truculence, Mr. Ceausescu made a personal trip to the lignite mining area of Motru. Instead of lambasting workers for poor productivity and failure to meet targets, he praised them for their contribution to the Romanian economy.

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Rioting flares again in India

FRESH rioting flared yesterday in Moradabad, Northern India, and local authorities ordered a 24-hour curfew, the United News of India agency said. Reuter reports from New Delhi.

The violence at Moradabad comes two days after 10 people were killed in renewed Hindu-Muslim fighting in the nearby town of Aligarh, which is predominantly Muslim. Moradabad, was the centre of Muslim-police and Muslim-Hindu clashes which began on August 12, after Muslims alleged they saw pigs enter a prayer meeting. The trouble spread to 12 other Northern Indian cities and 176 people are believed to have been killed in the rioting, mostly in Moradabad.

West Sahara talks

The Organisation of African Unity (OAU) yesterday began hearings into the Western Sahara dispute, in the latest attempt to bring peace to the region. Reuter reports from Freetown, Sierra Leone. Algerian-backed Polisario guerrillas have been fighting Morocco for the phosphate-rich area since 1976. OAU officials said they will listen to 14 parties involved in the dispute-Morocco, organisations based in the Western Sahara.

Saudis deny oil cut

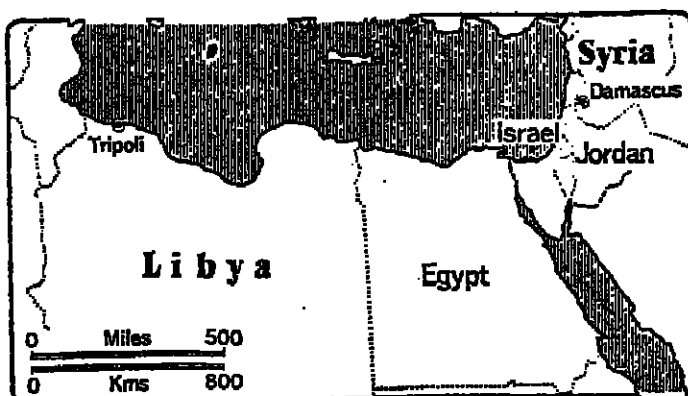
Saudi Arabian Oil Ministry officials said the Kingdom's oil output is to remain at 9.5m barrels a day and its price at \$28 a barrel, Reuter reports from Bahrain. They were commenting on a report in the Guardian quoting industry officials that Saudi Arabia had cut output by 1m barrels a day.

Kim trial to resume

The trial of Kim Dae-jung, charged with attempting to overthrow the Korean government by violence will resume today, South Korea's martial law authorities said yesterday. Reuter reports from Seoul. Kim, who was closely defeated by President Park Chung-hee in the last popular Presidential election in 1971, could face death if convicted. He has denied all sedition charges.

Syria and Libya agree to merge

BY ROGER MATTHEWS



SYRIA AND LIBYA, two of the most radical Arab states, have agreed to merge into a single political, military and economic unit, to confront Israel and "liberate Palestine". The announcement was made simultaneously yesterday in Damascus and Tripoli, after a visit by President Hafez al-Assad to the Libyan capital.

In common with the rest of the Arab world, both countries have a disastrous record of attempted mergers. Libya has tried and failed with Egypt, Sudan and Tunisia. Syria has had similar experiences with Egypt, and most recently Iraq. The idea of a merger was first mooted 10 days ago by Col. Muammar Gaddafi, the Libyan leader, and received an immediate and enthusiastic response from President Assad. In yesterday's joint proclamation, the two leaders said the new state would be "the base and means of confronting the Zionist presence and a means of liberating Palestine".

The attempted merger appears to be another and more desperate response to the Egyptian-Israeli peace treaty by two virtually friendless régimes as far as the Arab world is concerned. In the past 12 months the need to find a credible foreign policy, after the diplomatic exclusion of Egypt from the Arab world, has been exacerbated in Syria and Libya by increased dissent domestically which has caused mounting speculation about the stability of both régimes.

After the initial success of the 1978 Arab summit in Baghdad and the abortive plan for union between Syria and Iraq, Mr. Assad has become steadily more isolated in the Arab world.

He is still deeply militarily enmeshed in the Lebanon, relations with Iraq have almost reverted to the almost open hostility of pre-1978, and there has been a distinct cooling in links with Jordan.

At the same time, the Syrian economy is stagnant and the régime has been unable to stem the serious social unrest and political violence in Damascus and three northern cities.

It is a measure of Mr. Assad's despair that he should have agreed to the merger with Libya. Senior Syrian officials have in the past sought to disguise their suspicions of Col. Gaddafi.

With Col. Gaddafi's record of interference in the internal affairs of other countries, their suspicions are well founded. During the past five years, he has tried to topple the régime in Sudan, failed to prevent the overthrow of Idi Amin in Uganda, has intervened militarily in Chad, and earlier this year sponsored the attack on the northern Tunisian mining town of Gafsa.

But he is understood to be genuinely concerned at the possibility of an Egyptian attack across the border just as Mr. Assad is worried that

Courtship, marriage and divorce

SYRIA:

1958-61: Merger with Egypt in United Arab Republic.

1979-80: Announced but unconsummated merger with Iraq.

LIBYA:

1971: Failed attempt to merge with Sudan and Egypt.

1973: Unity march by several thousand Libyans again fails to achieve merger with Egypt.

1973-74: Repeated wooing of Tunisia eventually founders.

Israel may seek to draw him into a limited war that he would be bound to lose.

These fears have in part prompted even closer ties between the Soviet Union, Syria and Libya and the two

Arab states can be expected to use their planned merger as a lever to extract larger and more sophisticated weapons from Moscow.

Syria may also be fearful that its cash aid from Iraq could

dry up soon and would be looking to Libya to make up some of the shortfall. Yesterday's 14-point proclamation pledged there would be a single revolutionary leadership and a unified executive body. The first meetings of these newly-created bodies would be held within a month.

The two countries have a combined population of about 11m, Syria being by far the larger with 9m. Both have received substantial Soviet military supplies, but the geographical distance between them makes the possibility of joint military action remote.

A vital element in whatever progress is made towards union will be the relationship between the two sharply dissimilar leaders.

Mr. Assad is renowned for his caution, the care and, some would say, excessive deliberation that precedes policy decisions, and the almost total lack of political charisma that is the hallmark of his régime.

This is coupled with what is undoubtedly a highly principled stand on the issue of Palestinian rights and beneath the rhetoric an acceptance that the Middle East conflict will probably only ever be resolved through negotiation.

Col. Gaddafi is the most mercurial of Middle-Eastern leaders who basically rejects compromise and whose domestic and foreign policies often seem to disregard any accepted norms.

Egypt, Israel resume contact on Palestinians

BY ALAN MACKIE IN CAIRO

EGYPT AND ISRAEL are to resume Ministerial contacts on restarting the Palestinian autonomy talks, President Anwar Sadat disclosed after an hour-long meeting with Mr. Jizhak Shamir, Israeli Foreign Minister, at the Egyptian President's Alexandria rest house yesterday.

The meetings to explore the grounds for re-opening the talks will take place at the United Nations later this month, and will include meetings between Mr. Shamir and Dr. Butros Ghali, the Egyptian Minister of State for Foreign Affairs, who hosted the Israeli Foreign Minister's 24-hour visit to Egypt.

Mr. Shamir's discussions with Dr. Ghali on Monday evening and President Sadat yesterday appear to have broken the ice that set in after Mr. Sadat suspended the autonomy talks last month, in protest at the Jerusalem Bill.

They reportedly made progress at improving bilateral relations—the ostensible reason for Mr. Shamir being invited to Egypt—although neither side said what steps would be taken to speed up normalisation.

Israel has complained that Egypt has dragged its feet in implementing the normalisation clauses of the peace treaty, and Mr. Sadat appears to have accepted the principle that to create the basis of mutual trust which he sees as fundamental to get the autonomy talks going again, he will have to offer some concessions, however minimal, on normalisation.

The Israelis complain particularly that Egypt has not done enough to facilitate trade and cultural exchanges between the two countries.

In agreeing last week to re-open the autonomy talks in principle, Egyptian officials stress the necessity to create an atmosphere of "mutual trust and friendship," and made it clear that removing obstacles to the peace process was a vital part of this. Mr. James Leonard, a U.S. special envoy, is due in Cairo tomorrow to discuss ways of removing these "obstacles."

Reuter adds from Tel Aviv: Mr. Yitzhak Rabin, the former Israeli Prime Minister, said yesterday that President Sadat was firmly opposed to King Hussein of Jordan joining the present Middle East peace talks.

Women bear the burden of Asia's development

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

"WOMEN HOLD up half the sky," Mao Tse-tung once said, but a report published today shows that in Asia women live shorter than men, are the first to lose their jobs during a recession, and have often suffered rather than gained from development.

The World Bank has recently emphasised that expenditure on women's education is one of the best investments a country can make to create a healthy, innovative, productive labour force. But the report—Women in Asia—emphasises that in most Asian countries far fewer women than men are enrolled in education. This is particularly so in Moslem countries such as Bangladesh and Pakistan, just as it used to be the case in Korea and China in the distant days when the Confucian

doctrine of the "three obediences" prevailed—obedience to father while unmarried, to husband when married and to son when widowed.

The rich diversity of the heritages of Asia is reflected in the wide variations in the share of women in the labour force. In Japan, half the women work. In South Korea, 59 per cent are economically active, and in Sri Lanka 27 per cent. But the figure falls to about 10 per cent in India and about 1 per cent in Pakistan and Bangladesh.

To some extent, these figures reflect the way that economic activity is defined. But what the report finds alarming is that the process of modernisation has displaced women from their traditional work in agriculture and cottage industry. In India, land reform has cost female

cultivators the land they leased and mechanisation has caused them to lose jobs.

On the whole the status of women has improved. But legislation tends to be in advance of public attitudes and in rural areas in particular, a woman's lot is wretched.

In Bangladesh, for instance, a woman can expect to have a dozen pregnancies. In some countries like Indonesia, the Government is committed to equal pay for women.

About China, the report says that in the early 1950s, the "family woman" was ostracised. "But in 1955, there was an unemployment crisis and women were glorified again."

In 1958, the Great Leap Forward was launched, and women were needed for production. But by 1962 the place of

women was once more in the home. Ideology kept them there until the advent of the Cultural Revolution initiated

yet another shift. "Women in Asia. Minority Rights Group, London, edited by Ms. Rounaq Jahan, 75p.



Glyn Gwyn

For many women in Asia, life remains a struggle to survive.

Housing crisis in Malaysia

BY WONG SULONG IN KUALA LUMPUR

month—the pay of a senior executive.

Prices have moved completely out of line with rents, reflecting that people are buying for capital gains.

Public housing programmes are off target, particularly for low cost housing, where the need is greatest.

Under the Third Malaysia Plan (1976-80), the Government was expected to build 241,000 housing units, but by the end of 1978, only 27 per cent of this target had been met.

Developers argue prices are high because of red tape and rising prices of building materials and labour. It takes an average of three years to get a housing project approved, and many of the actions of state Governments have the effect of delaying construction and pushing up prices.

House prices have risen five to six times in the past decade. The Treasury's Valuation Division estimates that prices of double-storey terrace houses in the Federal Territory and surrounding areas are rising by M\$3,000-4,000 (£600-800) a

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AMERICAN NEWS

Carter gamble on three-way TV debates

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

PRESIDENT CARTER'S apparent determination to boycott any initial televised debate which includes Mr. John Anderson, the Independent candidate, could constitute the most crucial tactical gamble he has yet taken in his campaign for re-election.

It is possible that representatives of Mr. Carter, Mr. Ronald Reagan, the Republican nominee and Mr. Anderson will still force a compromise that will permit a direct debate confrontation between the two main party candidates, as well as a triangular one.

But, for the President, the bottom line of his tactics is to avoid anything which enhances the legitimacy of Mr. Anderson's effort. All Mr. Carter's in-house polls tell him that a respectable showing by Mr. Anderson in the November General Election will do him much more damage than it will Mr. Reagan.

Mr. Carter also hopes that the electorate has short memories—that what is an undeniably hot issue in the middle of September will have faded a month later, especially if, as has appeared likely, the Anderson campaign continues to fall under its own weight.

Even Mr. Carter's strategists concede that refusal to take part in debates—leaving Mr. Reagan and Mr. Anderson pointedly talking to "an empty chair" in the first planned session in Baltimore on September 21—is going to result in much unfavourable publicity.

It was one thing to back out of an earlier commitment to debate Senator Edward Kennedy in the course of the democratic primaries after the tide had turned in Mr. Carter's favour, but entirely another to shun Mr. Reagan, not to mention Mr. Anderson, in a close general election with so much of the population both unpersuaded by the alternatives on offer and undecided on whom to support.

Mr. Reagan, whose own campaign has been afflicted by mistakes in the last two weeks,

has a painful recollection of an earlier tactical decision to stay above the Republican throng.

His absence from the initial candidates' debate in Iowa in January contributed to his upset defeat in the state's caucuses; his appearance at subsequent debates remedied the omission.

Moreover, Mr. Reagan will be well positioned to point out to the public that, for the second time in a year, the President will be backing down from a previous promise to debate—adding this to the long litany of broken Carter promises that are a feature of Mr. Reagan's campaign speeches.

After a dismal late summer, Mr. Anderson has had a decent week—securing post-election Federal funding, winning the endorsement of New York's Liberal Party, thus ensuring that his name will appear on the ballot in that important state, and now receiving the imprimatur of the League of Women Voters as a serious Presidential candidate.

Without the controversy surrounding the debates, Mr. Carter had reason to be satisfied with the progress of the campaign. Mr. Reagan's ineptitudes and Mr. Anderson's relative invisibility, combined with the professionally directed and thorough nature of his own effort, appeared to have shortened the odds against his re-election. Many national polls put him almost level with Mr. Reagan, with Mr. Anderson slipping, and the momentum seemed on his side.

This has been jeopardised, though Mr. Carter's advisers seem convinced the setback will be brief. But at the same time, signs of order are more evident in the Reagan camp—the candidate is being kept under careful wraps, confining himself to set speeches on economic issues and avoiding, for the moment, the pitfalls that his extemporaneous comments have dug for him.

Leading Republican loses nomination

By David Buchan in Washington

SENATOR JACOB JAVITS, the Senior Republican on the Senate Foreign Relations Committee, lost his party's nomination for a fifth six-year term, in the biggest upset of the primary elections which 13 states held on Tuesday.

The 76-year-old Senator, whose poor health was made issue in the bitter primary campaign, said he will fight on to the November General Election on the ticket of the splinter Liberal Party which has endorsed him. He will face his Republican Party victor, Mr. Alphonse d'Amato, a virtually unknown local government official, and representative Elizabeth Holtzman who won the Democratic nomination.

Senator Javits's decision to fight on under the New York state Liberal Party banner may be good for Mr. John Anderson, the Independent candidate for the Presidency. Mr. Anderson is in the process of being endorsed for the November ballot by the New York liberals, and should gain from sharing the same ticket with the widely known Senator.

But the obscure Mr. d'Amato may yet wind up winner, because Miss Holtzman and Senator Javits appeal to the same left-leaning constituency. A similar split of centre-left votes put Mr. James Buckley (brother of the fashionable conservative columnist, Mr. William Buckley) in the New York Senate seat from 1970 to 1976—and this week Mr. Buckley made a surprising comeback to win the Republican primary in adjacent Connecticut.

If Mr. Buckley was to win the Connecticut Senate seat in November, he would be the first Senator to have represented more than one state since 1913 when senators had to be popularly elected.

Senator Javits is one of the last of the breed of liberal East Coast Republicans.

Mary Helen Spooner, in Santiago, reports on today's vote on a new Chilean constitution 'Yes' or 'no' for 16 more years of Pinochet

A PEDESTRIAN shopping mall in Santiago has been littered with political pamphlets almost every night. The pamphlets, which often include caricatures of Gen. Augusto Pinochet, Chile's President, call for a "No" vote in today's plebiscite on a proposed new constitution. The pamphleteers have been chased away by club-wielding police.

Such scenes have not been a common sight for several years in Chile, which today marks the seventh anniversary of Gen. Pinochet's Government. The publication of a new constitution, which would increase Gen. Pinochet's powers and possibly prolong his rule for 16 more years, and the plebiscite have generated open public controversy and debate.

The Government has spent large, undisclosed amounts of money on television, radio, newspaper and magazine advertisements as well as on billboard posters calling for a "Yes" vote.

The opposition has few resources and operates under far greater restrictions.

In the halls of Santiago's new subway, a young man bearing a poster stood defiantly next to a glass-enclosed advertisement urging Chileans to approve the "constitution of freedom." The young man's hand-lettered poster bore an arrow pointing to the Government advertisement and said: "We do not have the money for such propaganda—but we will still vote 'No'."

Gen. Pinochet and his supporters have given dire warnings about what might happen in Chile should the "no" votes win, although the Government has never clearly stated what it would do.

Most of the government propaganda recalls the chaos before the overthrow of Dr. Salvador Allende, Chile's last civilian President. A vote in favour of the new constitution, according to Gen. Pinochet's supporters, would ensure that Chile did not return to the days of food shortages, politically motivated violence and three-figure inflation.

Mr. Alvaro Barden, the Central Bank president, has said that failure to approve the new constitution would result in economic catastrophe because of the political uncertainty which would follow.

He admitted, however, that Chile's monetary situation was completely normal, and that there had been no rush to change Chilean pesos into foreign currency.

A 2 per cent increase in the amount of dollars being bought had been reported earlier.

Mr. Eduardo Frei, the former President who leads the opposition, has been allowed to speak publicly against the new constitution, although his views did not receive the attention in Chile's pro-government press which supporters of the constitution received. He has also had to endure the embarrassment of having his past political failures resurrected and publicised.

His staunchly anti-Communist Christian Democratic Party led the opposition to the Socialist

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Pamphlets urging a "No" vote trampled in a Santiago street.

President Allende from 1970 to 1973, and even supported Dr. Allende's removal.

Yet Gen. Pinochet's regime has come to equate the Christian Democrats with original sin: their tolerance of dissenting opinion made it possible for a left-wing politician like Dr. Allende to come to power. Persecution of Chile's Christian Democrats began towards the end of 1977, in the

face of the party's persistent advocacy of a return to civilian democracy. With the leaders of the Chilean left imprisoned, exiled or buried in the violent aftermath of the 1973 coup, the Christian Democrats found they were next in line.

The Christian Democrats also called for a "No" vote in the 1978 plebiscite in which Gen. Pinochet pitted himself against a United Nations resolution

condemning Chile for violating human rights. The wording equated support of Gen. Pinochet with patriotism and the defence of Chilean sovereignty. Support of the United Nations resolution was equated with foreign interference in domestic affairs and a lack of patriotism. The motion was passed by a considerable margin.

But it is very unclear how Chileans will vote in today's plebiscite. The Pinochet regime's main claim to support is that it ousted Dr. Allende, and thus saved Chile from communism. Its support therefore depends largely on the extent to which Chileans remember the Allende years, and how they remember them.

The transition period in the new constitutional plan ensures that Gen. Pinochet would remain in power for another eight years, and leave open the possibility that he could succeed himself for another eight years. If that happened, Chile would have a one-man dictatorship lasting even longer than that of Spain's Gen. Francisco Franco.

Many Chileans, even anti-Communist conservatives, are uncomfortable with that prospect.

"For years we've simply viewed this regime as transitory, a recuperation from the Allende period," a woman from a well-known Chilean upper class family said recently.

"We thought we would have Pinochet around for another year or two. But now, if the new constitution is passed, Chile will in essence cease to be Chile."

U.S. bid to avoid embarrassment over PLO

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE UNITED STATES was yesterday embarking on a process of discreet but "muscular" diplomacy to try to ensure that President Jimmy Carter is not saddled with domestic political embarrassment by the admission of the Palestine Liberation Organisation (PLO) as an observer at this month's annual meeting of the International Monetary Fund and World Bank in Washington.

The U.S. has secured an extra 10 days, until September 19, to muster support for its proposition that no more observers be admitted to the annual meeting and that new guidelines be drawn up by March 80 next year covering the whole question of observers, a technical subject with ramifications far beyond the PLO issue.

Opinions in the two international institutions were sharply divided on whether the U.S. effort would succeed. Its goal is to obtain a "quorum" whereby 50 per cent of the governors—in effect national

governments—commanding two-thirds of the weighted vote send replies on the U.S. motion.

There is little doubt that if the U.S. succeeds in getting a quorum, its resolution will pass. But if it cannot—and there are reports that it was only half way to its goal when it requested the extension of the deadline—then discretion falls into the hands of Mr. Amin Jamal, the Tanzanian Finance Minister, who will be chairman of the meetings and who is on record as favouring the PLO's admission.

But, even here, there is dispute on how far-reaching is Mr. Jamal's authority. Complex

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IMF by-laws require him to act in consultation with the executive boards of the IMF and the Bank, but it is not clear whether this means they must agree in advance to whatever he proposes.

President Carter's campaign officials, alive to the possible adverse consequences of handing the PLO a propaganda victory in the U.S. capital just five weeks before the Presidential election, are understood to have ordered the Treasury to move night and main to prevent the issue from coming to a head. The West African bloc of nations are believed to be a particular focus of U.S. diplomatic efforts.

Inside the IMF and Bank, there is perceptible resentment over the fact that the two ostensibly non-political organisations should be subject to what is often described as "blackmail" by the Arab countries.

But there is the possibility that the PLO issue will intrude on the normally ordered proceedings of the annual meetings as it is at least conceivable that the matter will come up for debate on the floor, which would be a novel departure from past practice and may cause some embarrassment to representatives of a number of Governments, especially in Europe.

Iran statement stirs hope on hostages

BY PATRICK COCKBURN

MR. MOHAMMED ALI RAJAI, Iran's newly appointed Prime Minister, has brought to the fore the issue of the U.S. diplomats held hostage in Tehran by saying on Monday night that if the U.S. "sincerely repented" its past behaviour, the Iran was willing to talk. But, he warned, "We do not compromise or make deals."

Diplomats do not consider that the speech marks any significant change in the Iranian position on the hostages, and it is doubtful if Mr. Rajai, or any other single political leader, with the exception of Ayatollah Khomeini, has sufficient power in Iran to start negotiations on the release of the diplomats.

Officials in Washington were still studying Mr. Rajai's speech last night, but Mr. Edmund Muskie, the U.S. Secretary of

State, suggested that militant flourishes in the statement could be for internal consumption in Iran, designed to reassure the militant clergy in Qom.

U.S. diplomats see some grounds for optimism in the fact that for the first time Mr. Rajai has responded to a letter sent to him by Mr. Muskie on August 20 appealing "for a fresh look at the problems between Iran and the United States."

Avatollah Khomeini said at the beginning of the year that the fate of the hostages must be decided by the Iranian Parliament. But so long as deputies are involved in the prolonged wrangling over choice of a new cabinet, it is unlikely that they will move to consider the issue of the U.S. hostages seriously.

Setback for plan to sell nuclear fuel to India

BY OUR WASHINGTON STAFF

COMMITTEES in both the U.S. Senate and the House of Representatives yesterday voted to block the Carter Administration's plan to sell India 38 tons of nuclear fuel.

The action by the Foreign Affairs Committees in both houses must be supported on the floor of the Senate and the House if the sale is to be vetoed.

Yesterday's votes were a considerable setback to the Carter Administration and to Mr. Edmund Muskie, the Secretary of State, who personally urged Senators yesterday to approve the controversial nuclear shipment.

At stake is not only President Jimmy Carter's political clout with Congress in the

midst of the election campaign, but also the future effectiveness of U.S. policy to stem the spread of nuclear weapons and U.S. relations with India and Pakistan.

Six years ago, India exploded what it called a peaceful nuclear device and has rebuffed persistent pressure from the U.S. that Indian nuclear facilities should be opened for international inspection.

But the Carter Administration has argued that the sale of the 38 tons of uranium to the Tarapur reactor near Bombay should go ahead, as a "one time" exception to the 1978 U.S. law that bans shipments of nuclear material to countries which do not accept outside supervision or safeguards.

Canadian agents search two newspaper offices

TORONTO — Canadian Federal monopoly investigators searched the head offices of the country's two main newspaper chains, Southam and Thomson Newspapers, on Tuesday and seized business records.

The raids, carried out under the Combines Investigation Act, were the start of a formal inquiry into events surrounding the closure last month of the Thomson-owned Ottawa Journal

and the Southam-owned Winnipeg Tribune, and the sale by Thomson of its holdings in Pacific Press and the Montreal Gazette to Southam.

The Bureau of Competition Policy said it was investigating under two sections of the act to determine whether there was a conspiracy unduly to lessen competition, and whether there was a monopoly operated to the detriment of the public. Reuter

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WORLD TRADE NEWS

Australia denies Singapore criticism

By Patricia Newby in Canberra



Mr. Doug Anthony, Australia's deputy Prime Minister and Minister for Trade and Resources.

MR. DOUG ANTHONY, Australia's deputy Prime Minister and Minister for Trade and Resources, said yesterday it was "quite unrealistic" to compare Australia's trade policies with those of the EEC.

He was replying to criticism by Mr. Lee Kuan Yew, the Singapore Prime Minister, that Australia's policies were "more restrictive, conservative and backward-looking than any of the EEC countries."

This was "just not true" and the facts made nonsense of such a claim, Mr. Anthony said.

Mr. Lee's criticism of Australia's protection of manufactured goods was made to Mr. Malcolm Fraser, the Australian Premier, at the Commonwealth Heads of Government regional meeting in New Delhi earlier in the week.

Mr. Anthony said yesterday that sales to Australia by the Association of South-East Asian Nations (ASEAN) grew by 27 per cent a year between 1973-74 and 1978-79 compared with a growth rate of 17.7 per cent in total Australian imports.

In the financial year 1979-80, which ended on June 30, imports from ASEAN rose 57 per cent on the previous year to just over \$1.8bn (£485m). Australian exports to ASEAN countries are \$1.4bn.

Ironically, Mr. Anthony claims Singapore has a trade surplus with Australia.

Mr. Lee's attack on Australian tariffs comes hard on the heels of the Australian Government's controversial decision not to significantly reduce the tariffs and quotas applying to textiles, footwear and clothing, and on the eve of Mr. Anthony's departure for negotiations with the EEC over the proposed sheep meat regime.

The Government, which is facing an election within the next few months, said it could not accept the likely unemployment which would result from lowering tariffs.

The decision, partly made at Mr. Fraser's insistence, flew in the face of advice from its tariff body, the Industries Assistance Commission, and the Treasury. Both have warned the Government that unless tariffs are reduced pressure will mount on domestic inflation and the exchange rate as capital flows in for the expected resources boom of the 1980s with its subsequent boost to export income.

Mr. Anthony, who has bitterly criticised EEC protectionist policies has threatened to divert up to A\$1bn in trade away from the EEC if it refuses in next week's Brussels talks to give Australia a guarantee that the sheep meat regime will not lead to subsidised exports.

Australia fears disruption from subsidised EEC sheep meat to its growing and lucrative trade in live sheep and chilled meat in the Middle East—markets which Australia says it developed to compensate for the loss of the European market.

Mannesmann group in E. German deal

By Roger Boyes in Bonn

MANNESMANN Anlagenbau, the West German industrial plant specialist, will head a consortium which has won a DM 80m (£16m) contract for the planning, supply and delivery of a magnesium chloride processing plant aimed at boosting East Germany's potash fertiliser industry.

The contract is one of the first to emerge from the Leipzig Trade Fair which, according to the West German Chamber of Commerce, proved somewhat disappointing for many West German companies.

The consortium of German companies, which includes Kloeckner Industrieanlagen and Standard-Messing Duisburg, will undertake the project which will have an annual processing capacity of 500,000 tonnes of magnesium chloride.

The Leipzig Fair, which ended last week, disclosed, according to the Chamber of Commerce, the considerable

David Buchan in Washington examines the annual report of the International Finance Corporation

Fears of restrictions on Third World borrowing

CENTRAL BANKS and Governments should not set "high-handed or restrictive" limits on the Euromarkets which would make it harder for Third World countries to borrow private capital.

This plea was made by Mr. Moeen Qureshi, executive vice-president of the International Finance Corporation, when he unveiled the Corporation's report for the year ended June 30, published today. The Corporation, an affiliate of the World Bank, channels investment into developing countries' private sectors.

Corporation officials explained

their concern that the present discussions between industrialised rich countries, including the U.S. and West Germany, on ways to prevent Euromarket operations inflating their domestic money supplies or possibly jeopardising the soundness of their banking systems, could restrict access by Third World borrowers.

The report notes that private finance is the crutch which developing countries must lean on to support their balance-of-payments deficits, swollen again by increased oil prices. Private international capital provided 70 per cent of gross new loan

commitments to Third World borrowers in 1979—\$75bn.

The authorities in industrial countries should "bear in mind international development objectives in their exercise of domestic monetary and banking regulatory policies," the report says, although Corporation officials admit this may be wishful thinking.

The Corporation's private sector investment totalled \$681m in 1979-80—a big increase from the previous year's total of \$425m. Mr. Qureshi proudly noted. Half the 55 investment projects approved in the past year were in the poorest

countries with a gross national product of less than \$826 per capita a year.

The Corporation, which borrows money from the capital markets or its parent, the World Bank, aims and claims to act as a catalyst for stimulating much larger amounts of private-sector investment in the Third World. The total cost of projects in which the Corporation participated last year was \$2.37bn.

This year's report suggests that wealthy oil-producing countries might find it in their own interests to join the Corporation in co-financing projects

in the poorer Third World, and "by taking on some of the related investment risks, to share in the potential gains."

Private capital flows to the Third World are stagnating because of financial and inflation uncertainties closer to home, the report says. Ironically, this has happened when "many major developing countries have recently adopted a much more welcoming attitude to foreign private investment."

Mr. Qureshi, the Corporation's Pakistani director, who is retiring at the end of this year, noted that lately in Latin America governments had been

drifting to the right, becoming more self-confident and pragmatic in dealing with big companies; that in Asia, the free-enterprise success stories of Taiwan and South Korea had been imitated elsewhere; that in India, better treatment of the private sector begun under the previous government of Mr. Morarji Desai was being continued under Mrs. Indira Gandhi; that in Africa, where state enterprises had had a sorry track record, more emphasis was being put on joint ventures; and that China was showing strong interest in finance from the Corporation.

Walker on S. America mission

By Hugh O'Shaughnessy

BRITAIN is seeking a close and permanent liaison with Argentina on the question of south Atlantic and Falkland Island fisheries.

This was stated by Mr. Peter Walker, the Minister of Agriculture, Fisheries and Food, who leaves London tomorrow for visits to Venezuela and Argentina.

Mr. Walker said he saw very large export opportunities for British companies in South America. "Venezuela and Argentina are two countries with a dazzling future in agriculture and food," he added. "It is absurd that we provide only about 3 per cent of Venezuelan imports and less than 5 per cent of the imports of Argentina."

The Minister would not be drawn about the attitude he would assume towards criticism by South American governments of the EEC's Common Agricultural Policy. In the past various Latin American Governments have been hostile to what they see as European protectionism.

Accompanying Mr. Walker on his visits will be representatives of Imperial Foods International Technical Services, Rowntree Mackintosh, Sir Alexander Gibb and Partners, Wolseley Hughes and Tate and Lyle.

New Trade division to consolidate back-up for exporters

By Paul Cheeswright

THE GOVERNMENT has started a new Projects and Exports Policy Division (PEP) within the Department of Trade, aiming to provide a more integrated system of official support for exporters.

The Division, which head is Mr. Christopher Benjamin, has been in existence for a month. At this stage it is a skeleton, but flesh is appearing around the bones as officials take up new jobs and as consideration of how to fulfil recently received terms of reference goes ahead.

The basic aim of PEP is

specifically to bring together Government services in support of companies trying to win contracts overseas for major capital projects and, more generally, to offer advice on export policy.

How this will be done is not so far clear. In the first instance it seems likely that PEP will start a dialogue with the major companies in the field and secondly to examine the practices of competitors like the Japanese, the West Germans and the French.

The main focus of its activities will be directed towards

the Third World. However open the markets may appear to be in the industrialised countries for project contracts, in practice domestic companies obtain preference.

Major capital project work will be most readily available in countries with a low economic threshold, but competition is severe, especially in countries whose energy or metal resources provide an additional incentive for, say, France or Japan, to establish a presence.

Such competitors have, in the past, exhibited a degree of

financial and diplomatic flexibility in the winning of capital projects, which has not always been present in UK efforts.

PEP, in essence, could be the instrument for achieving a similar UK flexibility. It could act like a ginger group, nudging official support like that from the Export Credits Guarantee Department (ECGD) into line and chivvying the banks into less rigorous lending policies.

But to do this PEP will have to carve its own niche in the bureaucracy in the face of some

reservations about whether UK companies ought in any case to be chasing after prestigious projects where the margin of profit may be slender or non-existent.

The new division is a hybrid, created out of the Department of Trade's Export Development Division and the Department of Industry's International Industrial and Commercial Policy Division.

PEP will be responsible within the Department of Trade to Mr. John Caines, who has also been appointed as chief executive of the BOTB, a post

which he took up at the beginning of this week.

This suggests that the export promotion services of the BOTB will tend to become more closely aligned with the policy work undertaken in the Department of Trade, especially that which may be handled by PEP.

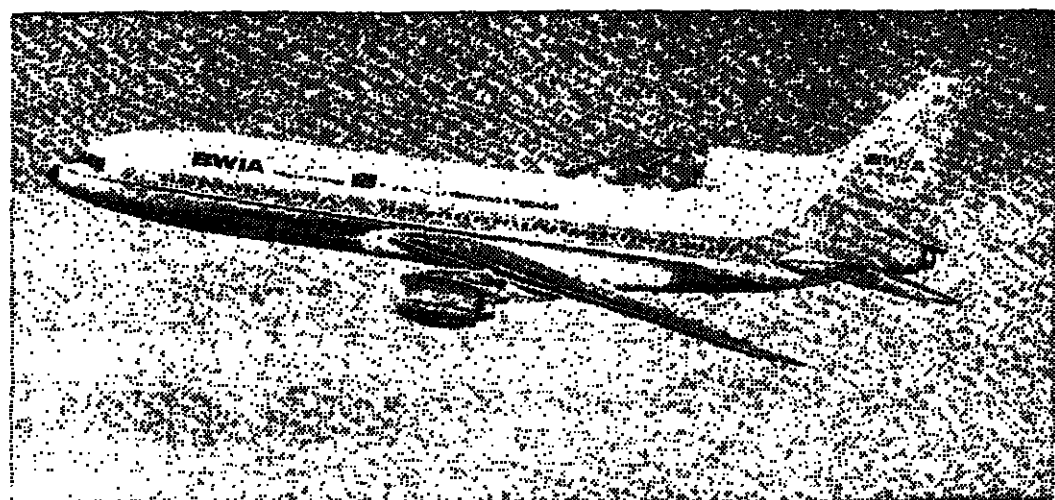
At least three organisations are, thus, being brought directly to bear on the capital projects business overseas, and it may be that this greater concentration of effort in one area may spread into other sectors of the export business.

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UK NEWS

Technology deal with unions opposed

By John Elliott, Industrial Editor

OPPOSITION IS growing in the Confederation of British Industry to a proposed agreement with the TUC dealing with the introduction of new technology in individual companies.

The agreement may be rejected by next month's meeting of the confederation's council even though its final draft was ratified last week at the annual Trades Union Congress.

Such a rejection, however, could upset the harmony of talks taking place on a regular basis between the two organisations. The implications of such an upset will have to be considered in the coming weeks by Sir Ray Pennock, the CBI president, and Sir Terence Beckett, the new director-general, who are in favour of developing contacts with the TUC.

The reactions of companies to the draft were considered yesterday by the CBI's employment policy committee. A decision was deferred till next month when it is thought there is only a 50-50 chance of obtaining approval.

The agreement is the first to be struck between the CBI and TUC for about eight years and lays down the consultative and other arrangements that companies should adopt before introducing new technology.

It stresses the need for technological change and calls for an "active and strategic response" from the Government. Unions and employers should establish "mechanisms and procedures" to facilitate change.

The need to involve all employees, not just unions, has been included at the CBI's insistence and companies are told that they should provide easy access to relevant information.

"Decisions on technological change will require full consultation before any decision to change production systems is taken," says the draft. The need for joint machinery is emphasised and an "open style of management" is recommended.

Employers should "make every effort to provide security of employment for their employees, with adequate opportunities to acquire new skills appropriate to the new technologies."

Working conditions for manual workers and staff should be harmonised and the opportunity should be taken to "break away from low productivity, systematic overtime and low pay."

Almost all these suggestions would be regarded as good practice by many companies and by most industrial relations experts. For this reason, the CBI's staff agreed the final draft even though they warned the TUC from the start that there would be considerable opposition.

There is a strong body of opinion in the CBI which believes that the existence of a joint agreement could do more harm than good. It is argued that the agreement would provide a platform on which trade union demands could be built in individual companies. Union negotiators would also demand consultation and negotiation on every change in production methods, not just those involving the most dramatic technological developments.

It is argued that this could slow down the introduction of changes needed quickly by companies and that it should be left to individual managements and unions to work out their own arrangements without a formal joint guide from the CBI and TUC.

On the other hand, there is also a strong lobby arguing that the draft is a useful statement of good practice and will help to encourage companies to develop systems of consultation with their employees.

Harris off Board but in control at Westward

BY RAYMOND HUGHES



THE Alice in Wonderland saga of Westward Television continued yesterday with six of the men who will head the company's fight to retain the South-West franchise being voted off the Board.

By predictably large majorities—about 40-1—a shareholders' meeting called by Mr. Peter Cadbury (right) voted to replace Lord Harris (left) and his allies with three Cadbury supporters.

The Harris faction boycotted the meeting, which it claimed was invalid.

At a Press conference, held an hour earlier at a hotel at Paddington Station, the West Country rail terminus, Lord Harris repeated his assertion that he and his supporters would still be in control of the company.

He predicted "certain death" for Westward if Mr. Cadbury regained control.

Mr. Cadbury, who overnight

changed his mind about not attending the shareholders' meeting—"I was told I had to come"—confirmed that under an agreement reached on Tuesday, Lord Harris and the present Board would remain in day-to-day control of the company until the shareholders' meeting called by Lord Harris for October 17, at which precisely the same resolutions to reconstitute the Board will be considered.

That would mean that the Harris faction would represent Westward at a meeting at Plymouth on September 23 at which the three rival consortia competing for the South-West franchise will present themselves to the public.

Mr. Cadbury said there would be no attempt to replace Lord Harris before October 17.

The handful of shareholders present—who were vastly outnumbered by the Press—together with proxies given to

Mr. Cadbury removed Lord Harris by 119,140 votes to 3,370. Between 115,000 and 116,000 votes were cast against the other Harris directors, the figures being reversed for the appointment of the three Cadbury supporters to the Board.

Television playwright Lord Willis, a shareholder, voiced admiring support for Mr. Cadbury and suggested that Lord Harris should resign.

The only note of dissent in an otherwise wholly pro-Cadbury meeting came from Exeter company director Mr. John Wheatley, who holds 1,670 Westward shares.

Predicting that the Boardroom dispute would cost Westward its franchise, Mr. Wheatley rebuked Mr. Cadbury for carrying on "a private vendetta" against the Devon and Cornwall Chief Constable and urged him, in the company's interests, to "fade into the background."



Chubb to stop cash register production

By Maurice Samuelson

CHUBB and Son is to stop producing cash registers because of falling orders, which have left it with only 5 per cent of the UK market.

It was the last British company making them.

The decision was taken despite appeals from the work force to seek support from the Government.

The group's main Board is understood to have decided at its meeting in London yesterday that there was no point in prolonging production at the Chubb Cash factory at Hollingbury, Brighton.

Despite union claims that many more jobs would be at stake, the company insists that redundancies will not exceed 400. It will also retain its country-wide service organisation.

The last-minute appeal against the closure of the cash register division was made just before the Board meeting by Mr. Chris Darke, a divisional manager of TASS, the staff section of the engineering union, and Mr. Andrew Bowden, Tory MP for Brighton, Kemptown.

Mr. Darke told Mr. William Randall, Chubb managing director, that the union wanted to make a joint approach with the company for government aid. However, Mr. Randall told them they had already been in close contact with the Industry Department which had explored the chances of financial backing.

Mr. Darke has also warned that the workers in the factory's profitable cash-dispenser division might take industrial action to save jobs in the cash register sector. The factory is working on a £4m order from Swedish banks for dispensers and has a major order in the pipeline.

In Brighton last night, Mr. John Egar, Chubb Cash's chairman, said any disruption of production of cash dispensers would have a "serious effect on jobs and would create another crisis."

The company had for some time been switching staff from the cash register division to the dispenser production line and this would go on, he said.

Yesterday's decision, which will be put formally to the work force this morning, had been predicted since March when the company reported operating losses in the previous year of £4.7m.

This compared with the £1.1m which Chubb paid in 1976 for Gross, the cash register company, which then had 22 per cent of the market.

But Gross itself was already ailing and Chubb says that shortly after the purchase it found that the new electronic cash register, which it inherited from Gross, did not work.

It also moved into the market at a time when it was still switching from partly mechanical to purely electronic products, in which overseas companies had a head start.

Chubb then set out to develop its own electronic cash register, but the project hit a number of snags.

One of the proposals for saving Chubb's cash register division was to form a link up with a Japanese manufacturer. But this was not considered seriously.

Ten years ago there were six big suppliers of cash registers, including Gross, NCR, the main leader, Avery's, and Swed. Today, there are about 40 companies, including IBM and ICL, at the top of the range, and Japanese companies like Casio and Sharp selling cheap products.

More than 150 workers are facing redundancy at the Wednesbury Tube factory in Bilston, Wolverhampton. The company, part of the Glynwed group, is making the axis in its 1,000-strong workforce because of the drop in orders.

Vacant industrial lots increase by 30%

BY JAMES McDONALD

THE RECESSION has been partly responsible for a 30 per cent jump over the past six months in factory and warehouse space for sale or to let in England and Wales, according to a survey by King and Company, chartered surveyors.

Since April, the warehousing and factory space available has risen from 53.3m sq ft to 75.9m sq ft—the highest level since April 1977 and close to the very high figures of 1975-76, which reflected the previous economic slump.

Warehousing available has risen from 22.4m sq ft in April to 29.8m sq ft, while vacant factory space has expanded from 30.9m to 46.5m sq ft.

The most significant increases have been, predictably, in areas of high unemployment: up from 7.6m to 12.2m sq ft in the West Midlands; and from 6.1m to 10.4m sq ft in Yorkshire and the North Midlands.

London and the Home Counties have more space available than any other area.

The survey does not reflect the part closure of heavy industrial concerns such as steelworks, where property cannot be categorised as factory or warehouse. Nor does it include small units of less than 5,000 sq ft where there has been a considerable increase in development.

Another reason is the completion of new warehousing following the rise in construction started in the last 18 months, and newly refurbished premises.

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Working conditions for manual workers and staff should be harmonised and the opportunity should be taken to "break away from low productivity, systematic overtime and low pay."

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It is argued that this could slow down the introduction of changes needed quickly by companies and that it should be left to individual managements and unions to work out their own arrangements without a formal joint guide from the CBI and TUC.

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Building guarantee considered

Financial Times Reporter

A SCHEME to guarantee small building work carried out by members directly for clients is to be considered by the national council of the National Federation of Building Trades Employers. The council yesterday approved in principle the preparation of a scheme, which would cover such small works as general maintenance, improvements and alterations.

Challis appointment

DR. ANTHONY CHALLIS has been appointed chief scientist at the Department of Energy, in succession to Sir Hermann Bondi, who is retiring from the post at the end of this month.

British plea

MR. PETER WALKER, Agriculture Minister, yesterday backed a move by the Fine Fare supermarket chain to encourage shoppers to buy British food.

"Last year, he said, Britain imported more than £30m worth of foodstuffs "which we could have produced ourselves."

Foreign currency

PORTALS, the UK company which makes the paper for British bank notes, is to set up its first paper mill outside the UK, at a cost of £6.25m.

Parcels sorting

A £51m computerised parcels sorting centre was opened yesterday by Wilkinson Transport. It will handle up to 200,000 packages a day.

Traffic will be returned from the centre in Nuneaton, Warwickshire, to 16 local depots for delivery within 24 hours. The workforce is 300.

Abbey National rival to 'granny bond' plan

BY TIM DICKSON

AN IMMEDIATE riposte to the Government's plan to launch a new index-linked retirement certificate in November and extend the maximum monthly contribution under the Save As You Earn contract (third issue), which is also index-linked, from £20 to £50.

The new index-linked certificate, which will replace the present retirement certificate, will be available to men and women over 60.

The moves are expected by the Treasury to contribute some £1bn to Government finances during the remainder of the current financial year.

"I don't believe that there are £1bn of uncommitted funds in the personal savings sector so this money is going to be lifted partly at somebody else's expense," Mr. Thornton said.

Building societies are the most likely target and this is why we are reacting."

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Building societies may have to ease cartel

BY ROBIN PAULEY

BUILDING societies may have to become more flexible and even loosen the interest rate cartel in response to the impact of the Government's monetary policy on their operations, Mr. Leonard Williams, chief general manager of the Nationwide Building Society, said yesterday.

He told an Institute of Bankers seminar on The Banks and the Competitors in Cambridge that building societies had to face the problem of maintaining an adequate investment inflow when the general level of interest rates moved up and down rapidly or remained at a high level for a long time, such as during the last six months.

"If the Government continues to rely upon interest rates in pursuit of its monetary targets, building societies are likely to continue to adapt their traditional methods of operation to cope with this, in particular by widening the spread of interest rates paid and charged, and increasing the speed of response to changes in other rates," Mr. Williams said.

Flexibility would be encouraged if the Building Societies' Association cartel were loosened to allow individual societies more independence in choosing the rates and terms they were prepared to pay for different kinds of money. Societies could then determine their own mortgage rates, with competition keeping the mortgage base rate as low as possible and allowing societies to charge nearer market rates for large loans. At the moment banks and other lenders were filling the gap at the top end of the market at rates substantially above those charged by societies.

"Clearly, building societies cannot allow this situation to continue indefinitely."

If competition between the banks and building societies became so intense that societies suffered a significant reduction in their share of personal savings or mortgage lending, they would need to seek the same commercial freedom to market their services as the banks already enjoyed, he said.

Building societies are restricted in what they lend on, how they can lend and the amount they can lend. They can only lend to mortgage securities in the UK. They are not empowered to acquire land, own subsidiaries to build or manage housing or provide other services.

Mr. Williams also said that both banks and building societies may find it impossible to compete with the Government's index-linked "granny" bonds.

The Treasury announced on Tuesday that a new bond would be offered in November for people over 60, up to a maximum holding of £3,000 per person. Index-linked savings contributions would also be extended from a maximum of £20 a month to £50.

If the bonds were successful the Government might extend index-linking further.

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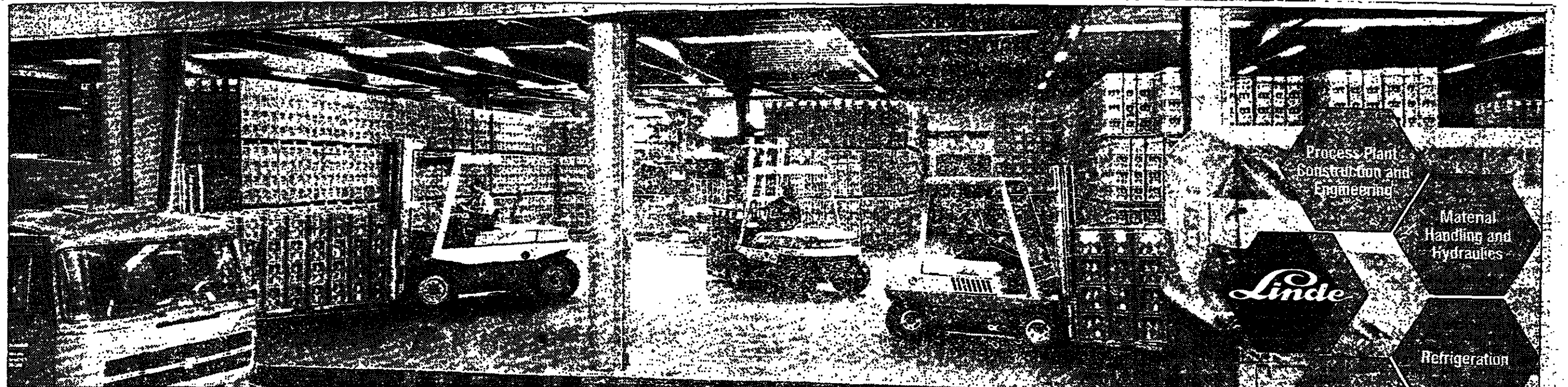
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Building societies are restricted in what they lend on, how they can lend and the amount they can lend. They can only lend to mortgage securities in the UK. They are not empowered to acquire land, own subsidiaries to build or manage housing or provide other services.

Mr. Williams also said that both banks and building societies may find it impossible to compete with the Government's index-linked "granny" bonds.

The Treasury announced on Tuesday that a new bond would be offered in November for people over 60, up to a maximum holding of £3,000 per person. Index-linked savings contributions would also be extended from a maximum of £20 a month to £50.



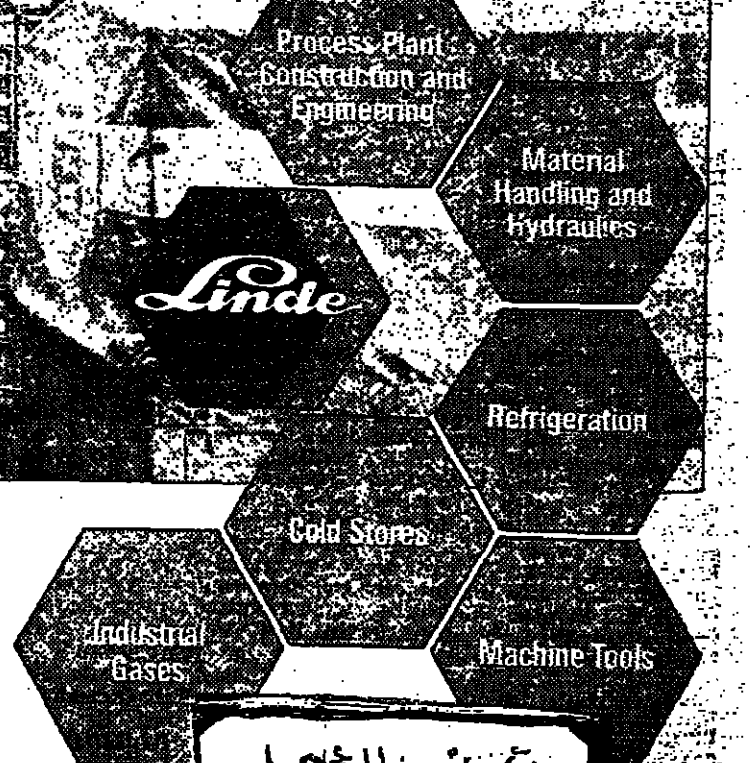
Peak Season for Refreshing Beverages

During peak season, things really get hectic in one of Europe's leading mineral water factories, Messrs Rosbacher Brunnen of Germany. Twenty men using their lift trucks have to shift more than half a million bottles of beverages for despatch by truck or rail, and also, have to handle the same number of returned empty bottles. In such a high gear operation productivity is absolutely essential but must not be paid for by high breakages. Therefore Messrs Rosbacher Brunnen use Linde lift trucks with their hydrostatic drive, which not only makes them very fast but also guarantees

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Two companies win M25 work

By LYNN MCLAN

CONTRACTS WORTH £67m for further 12 miles of the proposed M25 orbital motorway around London were awarded yesterday to Costain Civil Engineering and Balfour Beatty by the Transport Department.

The total 120-mile motorway project to encircle the capital at a distance of 20 miles is one of the department's biggest spending programmes.

The last section comes into use in 1986. By then it is expected that the project will have cost taxpayers more than £200m at 1980 prices, a rate of about 55m a mile.

The latest contracts increase the length of the M25 now open or which will be under construction in the coming weeks to 58 miles. This is almost half the planned total.

The most expensive contract awarded yesterday went to Costain Civil Engineering. It is for more than £31m worth of work on the motorway section between the Uxminster to Grays railway line at North Ockendon, Essex, and the A12 at Brook Street, Essex.

The work will involve 5½ miles of dual, three-lane carriageway. It represents the last of the M25 contracts between the A12 and the A18 in Essex.

The second largest contract also went to Costain Civil

Good news for more BBC local stations

By Alan Forrest

"GOOD EVENING—this is your new neighbour broadcasting on 101 stereo VHF and 351 metres medium-wave."

With these words, spoken by show presenter John Mountford from a studio in Norwich, the BBC's ambitious plans for local radio in the 1980s will be well under way.

Radio Norfolk is the corporation's 21st local station and one of 15 to go on the air this decade.

The cost of setting them up will be £500,000 a station with running costs of roughly £260,000 a year.

Stations in Lincolnshire and Cambridge will follow soon and other centres planned include Northampton, Devon and Cornwall.

Setting the pattern for the whole expansion programme, Mr. Mike Chaney, Radio Norfolk's station manager and former editor of Radio 4's Today programme, said: "We want our programme to lean over hedges and harbour walls. This can be done because we have reporters and radio cars that broadcast live anywhere in the area."

Flexibility

The BBC is pinning a lot of hope on cutting out demarcation lines between different presenters.

"The keynote," Mr. Chaney says, "will be flexibility in programming and this will be achieved by a unique interchangeability among the broadcasting team—musician could find himself writing a news bulletin and a journalist could present a record show."

Radio Norfolk starts broadcasting at 5.55 tonight. It will transmit a daily diet of news and current affairs, travel and weather information and music.

With the popularity of local radio increasing, the BBC's commercial competitors are not being left out in the cold.

The Independent Broadcasting Authority has just announced the award of its contract for Ayr to a company called Radio Ayrshire, one of three groups interviewed.

Radio Ayrshire said after the announcement: "Our policy is to be a real local station—there is no big business involved."

"We have 41 shareholders, mainly local business people, with holdings ranging from £1,250 to £25,000."

"We think we can offer an unrivalled service in a large area where there is no local daily newspaper."

Its chairman is Mr. Robert Hunter, a local solicitor. The IBA's next station is Wrexham and Denbigh, covering a large area of Cheshire and North Wales. Closing date for applications for the contract is December 16.

Last year local commercial radio advertising revenue reached £44.6m, against 1978's £29.9m, and the first quarter of this year turned in a record £9.5m.

The present phase of expansion will take it to 80 per cent of the country's population and it attracts about 3 per cent of national advertising revenue.

With prospects like this, it looks as if the tide will be full of noises for some time to come.

Target of envy and abuse may face radical changes

CIVIL Service pensions have been the target of both envy and abuse ever since the payments were inflation-proofed by the previous Tory Government under the 1971 Pension (Increases) Act.

Inflation-proof pensions have been criticised mainly on two grounds: first, that they are not generally available in the private sector, except for a few major pension schemes; and second, that the civil servant pays far too little for his.

Misgivings

The present Government apparently shares the misgivings over civil servants' pensions, but seems not to know how to undo the work of its Tory predecessor. Mrs. Thatcher has therefore set up an independent inquiry into the value of pensions, under the chairmanship of Sir Bernard Scott.

His brief is to examine the question of index-linking. Two alternatives that may be considered are to cut back on pension increases, or to make civil servants contribute to the cost by reducing their salaries.

Strong support for contributions came this week from the Centre for Policy Studies in its evidence to the inquiry. The centre, set up by the Conservative Party while in Opposition as its "think tank," is critical of the Government's calculations of the deductions that need to be made from civil servants' salaries to pay for better pension benefits.

The report accuses the Actuary, Mr. Edward Johnston, of being far too optimistic in his assumptions.

No deductions are made from pay for Civil Service pensions, and there is no central fund to meet pension liabilities when they arise. The cost of paying the pensions is met from taxation revenue.

This is in contrast to private and nationalised board pension schemes, very few of which are

non-contributory and almost all of which fund in advance for pensions.

But in determining the salary levels of civil servants, the Government Actuary makes a comparison of the cost of pensions—known as the "analogue" scheme—which assumes a funded pension scheme comparable to occupational ones.

In the Civil Service pay negotiations, comparison is made with pay and benefits in other comparable occupations, including those in local authorities, nationalised industries and companies in industry and com-

panies leave service and, most important, must make assumptions about future rates of return on investment, the rate of salary inflation and the rate of price inflation. These rates have to be estimated for very long periods of around 50 years.

The Government Actuary has assumed that the long-term rate of price inflation would be 7½ per cent a year, that salaries would rise each year by 8½ per cent, and that the investment yields on pension funds would be 10 per cent per annum. On these assumptions, he calculated the cost of Civil Service pensions

could match inflation over the next few decades and who also consider actuaries to be unrealistic in their assumptions.

The centre considers that a more realistic deduction could be made by assuming that the rate of return on investments will be only 1 per cent more each year than the rate of inflation. On this basis it calculates that the deduction from salaries needed to pay for the pensions would be 11.7 per cent. But the centre appears itself to have made a fundamental error.

Analogues

It recalculated the cost of civil servants' pensions to be 27.1 per cent instead of 16.8 per cent on the new assumptions—but it did not recalculate the cost of the analogue scheme on the same assumptions. It assumed therefore that the scheme's cost was 12.2 per cent. If pensions rise at half the rate of inflation, and return on investment is assumed to be 1 per cent above inflation, the cost would be nearer to 18 per cent.

The deductions from civil servants' salaries to pay for index-linking should thus be about 7 per cent, compared with 3.8 per cent calculated by the Government Actuary and the proposed 11.7 per cent.

The evidence of the centre concedes that it is very difficult to make precise calculations without having available the full data. But it should have done better than this.

Calculations

It also calls on the Government Actuary to do his calculations on several different assumptions so that the public can see how costs vary.

The feeling remains that civil servants are undercharged for their index-linked pensions and the taxpayer should have the necessary information to judge what a more realistic rate should be.

Racal to put Decca House on market

By Robin Pauley

RACAL, the radar and electronics group, is to put Decca House on the market. No price has been attached to the property—on the south bank of the Thames opposite the House of Commons—but it is expected to sell for between £2m and £3m.

The building was Decca's headquarters before the fierce take-over battle earlier this year which resulted in Racal acquiring the company for £106m.

A spokesman for Racal said yesterday that Decca House has been under-secured before the take-over because Decca had sold its record activities.

The accounts and sales departments of Racal-Decca Navigator and Racal-Decca Marine Radar will be moved from Decca House to New Malden, Surrey.

The move will mean about 80 redundancies among the 300 currently employed at Decca House. The group recently axed 350 jobs in the marine radar section. No more redundancies are envisaged within the group in the "foreseeable future."

"It has been Racal's policy since the early 1960s to organise itself on the basis of small- and medium-sized companies which operate as autonomous profit centres," a spokesman said.

"A key factor is that the directors, the sales, engineering and production activities and other departments should be close to each other and capable of daily contact."

"This creates an environment of quick reaction to customers, sensible product planning and speedy solution of problems."

Stand-by passengers 'not stranded' in Hong Kong

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

SUGGESTIONS THAT cheap stand-by fares on the London-Hong Kong air route have resulted in passengers being stranded in Hong Kong were dismissed yesterday by British Caledonian Airways.

The airline was commenting on an attack made by Mr. Duncan Bluck, chief executive of Cathay Pacific, on stand-by fares. Mr. Bluck had described the as "gimmick" fares unsuited to the Hong Kong market.

It is understood that over the past weekend up to about 50 stand-by passengers seeking British Caledonian flights back to the UK were turned away and had to take later flights. The reason was that all the seats were filled by the higher-fare traffic, which is given priority.

Swiss set to order Rapier

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH Aerospace Dynamics Group is confident an order from Switzerland for the Rapier low-level anti-aircraft missile will be signed later this year, following the successful completion of live demonstration of the weapon in Switzerland earlier this week. Negotiations on the possible purchase of up to £250m worth of Rapier missiles by Switzerland have been in progress for several years.

British Aerospace believes it has satisfactorily completed all the presentations needed to enable the Swiss Government to make up its mind on the deal, although some further details may need to be resolved before a contract is forthcoming.

PSF invites redundancies

By JOHN GRIFFITHS

PRESSED STEEL FISHER, BL's body-making and engineering arm, has invited voluntary redundancy applications from its 5,500 hourly paid work force at the Cowley body plant, which makes bodies for the Morris Ital, Austin Maxi and Princess. But PSF emphasised yesterday that the invitation was only to find out what the response might be. PSF retained the right to select who could leave. The invitation does not apply to skilled toolroom workers, of which BL has a shortage.

No precise target has been set for the number of men the company wants to leave.

Russian tells of car 'anger'

A RUSSIAN company director explained yesterday how his British sales manager reacted angrily to the news that he was to drive a Soviet car. Mr. Viktor Privyok, technical director of UMO Plant, the Letchworth-based Russian construction equipment company, said Mr. Alan Brodie, 42, was sacked after he refused to hand over the keys of his contract hire Ford.

Mr. Brodie is claiming unfair dismissal at an industrial tribunal at Cambridge.

Mr. Privyok said Mr. Brodie's hired Ford Granada cost £1,800 a year. He said he told Mr. Brodie the car was being sent back because of the company's financial position.

"He asked me what car he would drive and I told him a Lada. He was very angry and told me he would never drive a Lada and that he was promised under his contract that

he would drive a Granada 2.3 litre."

Mr. Privyok said it was the managing director's decision and Mr. Brodie should discuss it with him. "But Mr. Brodie said he would not discuss this question with anyone. He said he was leaving the office and if the managing director would like to speak to him he could do this through his solicitors."

The tribunal continues.

CONTRACTS

£2.4m water turbines for India

A contract worth over £350,000 has been awarded to FAIRBY HYDRAULICS for landing gear and tail rotor actuators for the initial batch of 21 W.3.30 medium transport Westland helicopters.

AVICA EQUIPMENT has received an order worth £261,000 for high temperature metallic seals and forged "V" flange ducting clamps from Short Brothers for use in the podding system it supplies to Rolls Royce Derby for the RB211 power plant.

DETECTION INSTRUMENTS, Wokingham, Berkshire, has received an order from Marathon Oil UK to supply the combustible gas detection system for the BRAE platforms worth £150,000. The equipment includes the DI 5/6 control module, DI 5/6 detector head and aspirator systems will also be used.

A £120,000 contract has been won by LONDON BANKSIDE PRODUCTS for the supply of door mirrors to Datsun UK. The mirrors, of a new type, are to be

fitted as original equipment on all Datsun pickup trucks and vans sold in Britain.

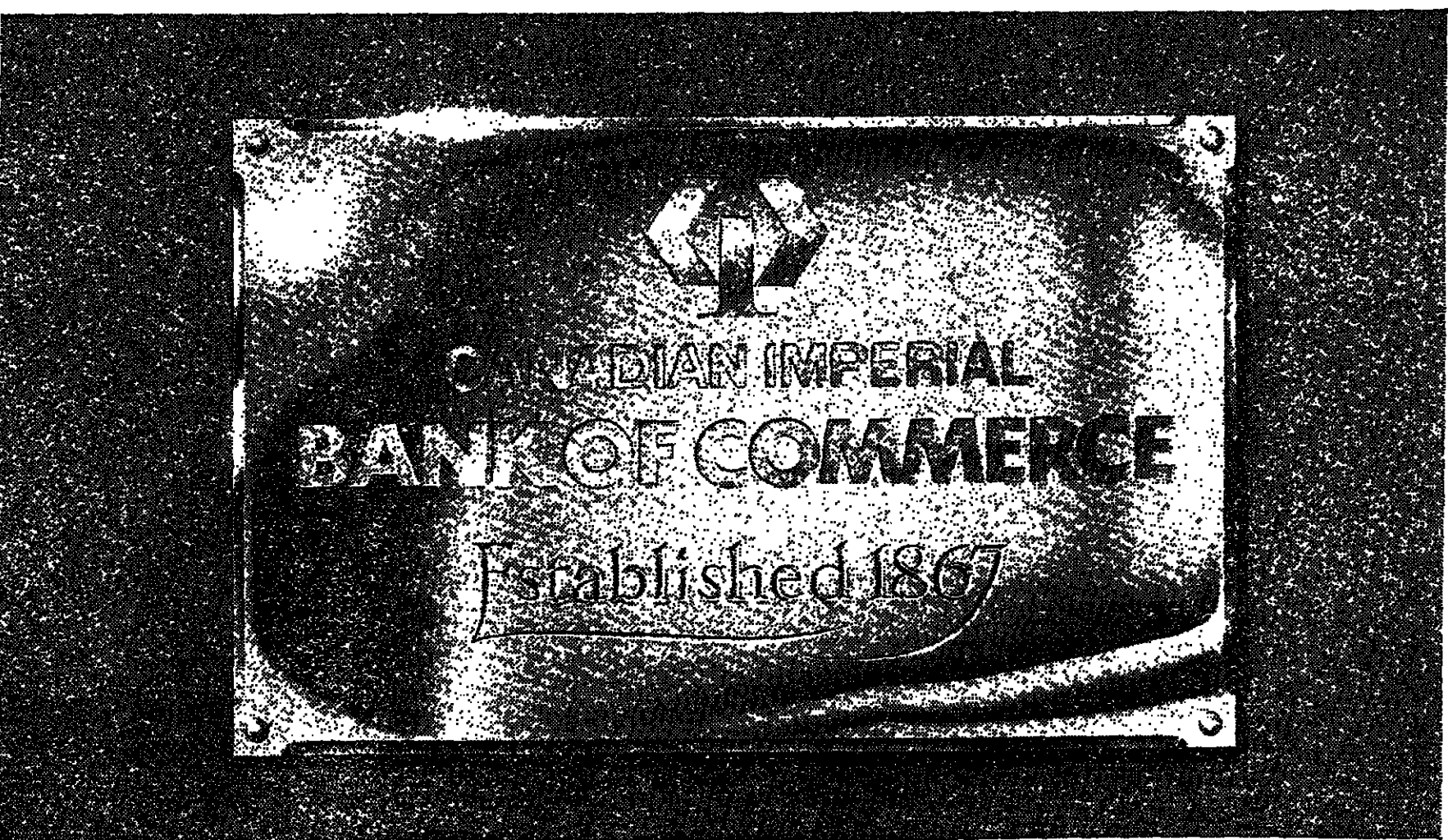
GEC MACHINES, Rugby (a subsidiary of The General Electric Company of England) has been awarded a £14m contract by the Andhra Pradesh State Electricity Board of India, for the supply of two umbrella type vertical water turbine generators for the Right Bank power station at Nagarjuna Sagar. Each unit will have a maximum continuous rating of 39,600 kVA at 0.85 pf, 150 r/min, 11 kV, 3 phase, 50 Hz and will be delivered next year.

The wound stator, made in three sections, will have a total weight of 86.5 tonnes and will be 11 metres across from corner to corner. The rotor, having 40 poles, will be 7.7 metres diameter and will weight 100 tonnes without its shaft. The power generated from this project will be stepped-up to 220 kV and fed into the Andhra Pradesh grid by a short interconnecting line to the existing 132 kV sub-station at Nagarjuna Sagar main power station situated on the Left Bank or River the Krishna.

Orders worth about £1.5m have been received from the Post Office by TREND COMMUNICATIONS, High Wycombe, a member of the Pricom Group. A substantial part of the business is for Trend's range of teleprinters. Other contracts are for telegraph testing and operational equipment. One £400,000 contract placed with Trend by the Post Office is for receive only and keyboard send receive teleprinters for the Metropolitan Police. These will be used to link Metropolitan Police areas to the centre of the police telecommunications network at New Scotland Yard.

IDC, Stratford-upon-Avon, has been awarded a contract worth just under £1m by G. E. BETTIS ACTUATORS AND CONTROLS to design and construct a new UK production plant at Farnham, Hampshire. Work is expected to be completed in spring 1981.

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The financial force you may have overlooked



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UK NEWS—THE LIBERALS AT BLACKPOOL

Steel urges more talks on centre party

By Richard Evans, Lobby Editor
MR. DAVID STEELE, Liberal leader, urged further party dissension yesterday when he advocated a continuing dialogue with potential members of a new centre party before the next General Election in an effort to find common ground.



David Steel: "time is not on our side."

Most delegates at the assembly feel that Mr. Roy Jenkins and other Labour Party Right-wing dissidents are welcome to join the Liberal Party, but they oppose the Liberals making any pacts with or concessions towards a new party.

Mr. Steel, who has previously sought to defuse the sensitive issue, yesterday repeated his controversial view that contact should be maintained actively with the Jenkinsites.

"There is an obligation on us to continue the dialogue... I think it essential that if it is at all possible it ought to be before the next election."

His comments, in an ITN interview, brought an immediate response from Mr. Cyril Smith, MP for Rochdale.

"If he (Mr. Steel) chooses to talk about a pact before an election, he will have a very serious internal fight within the party," Mr. Smith warned.

Mr. Steel was careful, however, to place the onus for talks on a possible pact on Labour's social democrats.

"If need be, we shall act on our own but if they want to come and join us, they must make up their minds... time is not on our side. I think they will have to decide soon."

Mr. Steel's main concern is to break the present two-party system by achieving electoral reform. He believes this could be best achieved by seeking co-operation from Labour Party dissidents and others.

His difficulty, and the reason he must not place too much emphasis on the Jenkinsites, is that a breakaway Social Democratic party might never be formed.

If Mr. Callaghan, the Labour Party leader, wins his constitutional battle with the Left at next month's Labour Party conference and if Mr. Denis Healey becomes Party leader in the next few months, there will be every incentive for Right-wingers to stay with the Labour Party. The whole issue of a political re-alignment would then be shelved indefinitely.

Whitehall cuts hit Blackpool

GOVERNMENT cuts are threatening to destroy the heart of Blackpool, the town's Liberal councillor, Mr. Chris Hayworth, told the assembly.

He said Blackpool was the victim of a "creeping seediness." "Redundancies, closures and short-time working have reduced Blackpool's intake of visitors to a mere trickle," he said.

PARTY PLANS CAMPAIGN TO CHANGE THATCHER'S POLICIES

'Rebellion' against jobs loss

BY IVOR OWEN.

LIBERAL LEADERS plan a nationwide crusade against unemployment aimed at forcing the Government to adopt a programme of controlled reflation. Delegates at the Liberal Assembly in Blackpool yesterday overwhelmingly approved a resolution condemning the Government for allowing the total out of work to exceed 2m and calling for the immediate injection of £2bn into the economy to finance capital projects.

They gave a standing ovation to Mr. Cyril Smith, the party's spokesman on industry and employment, who fiercely attacked the Prime Minister for persisting with policies which were eroding Britain's manufacturing base and threatening to cripple the entire economy.

Mr. Smith warned that with unemployment certain to climb still higher it will remain the dominant political issue in the period up to the next general election.

He urged the Liberals to take their programme for combating unemployment to every corner of the land.

The monetarist medicine being administered by the Prime Ministers, he said, was not a cure but a poison.

To a roar of approval, Mr. Smith insisted "the people should rise and rebel."

The message from the assembly to Mrs. Thatcher, he said, should be, "Maggie, you are not on."

Mr. Richard Wainwright, the Liberal spokesman on Treasury and economic affairs, predicted that without a change in Government policy unemployment could be as high as 3m by the end of 1981.

He wanted Tory MPs from areas hardest hit by factory closures and redundancies to be singled out as special targets in the course of the Liberal campaign.

Mr. Wainwright argued that it was Mrs. Thatcher's critics on the Tory benches in the Commons who offered the most direct route to securing a change both in the policies of the Government and its personnel.

"Already Tory MPs in the Midlands and the North-west are aghast at the consequences of their Government's policy," he declared.

Mr. Wainwright emphasised that over the past nine months the House of Commons select committee on the Treasury and Civil Service — headed by Mr. Edward du Cann, chairman of the Conservative backbench 1922 Committee — had been "unanimously critical" of the Government's Treasury team.

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Cyril Smith: monetarist poison.

committee on the Treasury and Civil Service — headed by Mr. Edward du Cann, chairman of the Conservative backbench 1922 Committee — had been "unanimously critical" of the Government's Treasury team.

"The most telling charge against Mrs. Thatcher and her Treasury Ministers is that of mounting incompetence," he said.

"The list of major blunders is approaching the size of a Christmas mail order catalogue."

Mr. Wainwright claimed that the money supply was out of control and also the Government's borrowing requirement.

He dismissed the Government's decision to issue a new indexed savings certificate for the over-60s as inadequate, and suggested that it was another example of the Prime Minister's lack of confidence in her own policies.

Enthusiasm among delegates for the crusade against unemployment stopped short of adopting a Young Liberal demand for selective import controls.

An attempt to introduce optional retirement at 55 for all citizens was also rejected.

A warning from one delegate that the injection of £2bn into the economy would lead to still greater inflation was unceremoniously squashed by Mr. Smith.

Strong call to reform farm policy

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE CONFERENCE overwhelmingly approved a motion calling for the reform of the Common Agricultural Policy and the scrapping of the intervention price system, in spite of strong opposition by the powerful agricultural wing of the party.

However, as a concession to their critics, the backers of the motion dropped their demand that the Liberal Party should reassert its traditional belief in a policy of cheap food.

The motion, which was heavily supported by the Young Liberals, wants the intervention price system replaced with cash subsidies favouring smallholders and marginal farms rather than the large commercial combines.

It calls for EEC spending on agricultural support to be reduced so that it is no more than half the Community budget.

"The CAP by virtue of its inefficiency, injustice and ineffectiveness, is a major barrier to the economic and political development of the EEC," it declared.

It condemned cross-subsidies which go to rich and poor farmers alike on the grounds that this created artificially high prices to the detriment of Europe's low wage earners.

Mr. Philip Truscott (Croydon South constituency), a member of the National League of the Young Liberals, reminded delegates that a recent poll showed that 59 per cent of Liberals favoured their pulling out of the Community and only 38 per cent wanted Britain to stay in.

"The CAP more than anything else, has turned the British public away from the Common Market," he said.

If the Community moved to cash subsidies, it would be possible to protect small farmers without any commitment to buy up surplus products. It would give incentives to farmers to produce the type of food the public wished to buy.

This would make it possible to reduce import tariffs levied on food entering Europe. There could be little justification for a system which discriminated against Third World farmers and benefited the richer producers of Europe.

An unsuccessful attempt was made by Mr. Gordon Heath, West Devon, to reject the section calling for the scrapping of intervention prices and the reduction of agricultural support.

He argued there was no stood for and the party was in a position to "ride the flood to victory."

Within minutes, however, the flood descended once more and Mr. Heath was taking us through a long list of Liberal obsessions such as alcoholism, tranquillisers, pollution, shoddy goods and overflowing rubbish bins.

The opening debate, on the Common Agricultural Policy, gave further illustrations of the dichotomy within the party. One group, mainly consisting of Young Liberals, wanted to reform the CAP in order to bring down food prices to the consumer. This was stoutly opposed by a succession of robust farmers who were only too anxious to maintain farm incomes.

Delegates then moved on to the much-heralded debate on unemployment where the main item was the topical motion put down mainly at

means bankrupt farmers, raped land and greater cruelty to livestock."

But he made the distinction between cheap food and cheaper food. Liberals had the right to advocate lower food prices, particularly in view of the large profits made by middlemen and retailers once the food left the farmer.

Mr. Gerald Howells, MP for Cardigan and the party's agricultural spokesman, agreed that the present CAP was inadequate, and predicted that unless it was drastically reformed, it would disintegrate within the next three to five years.

There was applause when he said that surpluses should be sold off cheaply to the elderly and the needy rather than to the Russians.

Nevertheless, he said that the party should not try to draw up an alternative agricultural policy in the space of a short conference debate. Therefore, he urged that the motion should be referred back to the party's agricultural panel for further consideration.

The reference back was rejected by delegates after Mr. Truscott condemned it as an attempt to kill the original motion by stealth.



Clement Freud: "Cheap food means bankrupt farmers."

evidence to suggest that farm prices were artificially high, or — if they were — that cross-subsidies were causing it.

Mr. Heath's amendment was supported by Mr. Clement Freud, MP for the Isle of Ely, who said: "Cheap food is something which Liberals should not be any part of. Cheap food

DEBATES SHOW DICHOTOMY INSIDE THE PARTY

Descent of seaside fog

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

the instigation of Mr. Cyril Smith, the party's employment spokesman.

Among other desirable objectives this calls for an extra £2bn to be raised for capital spending by means of an indexed linked national savings scheme.

Naturally enough, most delegates were in favour of this largesse.

Then came an event which delegates had been waiting for as Cyril Smith clambered up to the rostrum. He bluntly declared that there was "now" in any of the criticisms of the motion.

"Don't let's us have any rubbish about not being able to afford it," he boomed.

The trouble was that he said almost "now" about the details of the motion but, like the fat boy in Pickwick Papers who wanted to make "yer flesh creep" came out

with a list of horror stories about the way Mrs. Thatcher was slowly poisoning the economy.

Anyway, it was the sort of rumbustious stuff that the delegates wanted to hear and they gave him a standing ovation.

The conference then returned to the world of Tweedle Dum and Tweedle Dee. The question was whether or not the Liberals should abandon their traditional espousal of free trade and introduce import controls. Yes, said the National League of Young Liberals in one motion. N, said the Croydon South constituency party in another.

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Loser may fight decision on boilermakers' election

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE EXECUTIVE council of the Boilermakers' Union has declared Mr. James Murray the winner of a bitterly contested election for the post of general secretary, in which balloting irregularities were alleged by the two contenders for the post.

However, it is understood that Mr. Barry Williams, the other contender, is unhappy with the declaration, and that he has taken legal advice on the possibility of contesting it.

Under union rules, Mr. Williams has 90 days in which to lodge an appeal with the union's general council, which is largely made up of lay members. Thereafter, his only appeal is to the courts.

Mr. Murray is to the right of the labour movement, while Mr. Williams is a member of the Communist Party.

Mr. Murray said, yesterday that the decision to declare him the winner of the contest was taken at a meeting last Friday of the executive council, of which he is chairman.

Mr. John Chalmers, the general secretary who retires towards the end of this year, also attended the executive council but made no comment after the meeting.

Mr. Chalmers has begun a trip to the U.S. and Japan. Mr. Murray would not comment in detail on the alleged irregularities, except to say that all of them, about 30 in number, were carefully considered.

Mr. Murray's Renfrew branch made 18 allegations of irregularities, of which 14 were upheld, while Mr. Williams' Liverpool 2 branch made nine, of which four were upheld.

The effect of the council's decision was to reduce the votes of both candidates but to increase Mr. Murray's lead over Mr. Williams from 228 to 406.

Mr. Murray, 60, has been an executive council member for 12 years. He worked as a plasterer in the old Stevens Shipbuilders yard on Clydeside and was a local official in the Clyde district for eight years.

He has already been appointed by the union to take Mr. Chalmers' seat on the TUC's general council.

Loan of £1.8m may prevent dock strike

THE GOVERNMENT, faced with the possibility of a national dock strike next week, agreed yesterday to lend a further £1.8m to British port employers to help them out of their financial difficulties.

Ministers have made clear that the Government believes it has no role to play in the dispute over redundancies between the Transport and General Workers Union and Liverpool port employers.

But the move yesterday indicated clearly its hopes that the National Dockers Labour Board, meeting in London today, will agree to channel some of all the new money to Liverpool in order to increase severance pay for dockers.

The Liverpool dispute — over threats to place 180 redundant dockers on the Temporary Unattached Register instead of keeping them under paid employment as surplus labour — hinges on the insistence of the local port employers that they cannot afford to increase their loss of surplus labour.

It is hoped that if higher severance pay can persuade more Liverpool dockers to leave the employers' books, the employers' problem will be relieved and a formula may be found for settling the dispute.

The port wants to cut its dock labour force by 635 through its severance scheme. But so far only 235 have taken up the offer of £2,500 and unions have claimed the amount is not high enough.

The meeting was said not to have discussed the particular problem in Liverpool, where dockers employed by T. and J. Harrison stevedoring company and Bulk Cargo Handling Service are expected to be made redundant.

Under the National Dockers Labour Scheme dockers cannot be made redundant as such, although employers have a statutory right to place them on the Temporary Unattached Register which would pay them £55 a week.

The TGWU will decide next Monday whether to call a national docks strike because it claims that the Liverpool employers are failing to honour an understanding that the register was not to be used except for disciplinary purposes.

Talbot wins acceptance of 18-month pay deal

BY GARETH GRIFFITHS

TALBOT UK unions have formally accepted an 18 month pay agreement which will put the company at the end rather than the beginning of the motor industry payround.

The deal covers 12,000 workers at Talbot plants and will be backdated to July 1. Production workers will receive an initial increase of 8 per cent and skilled workers 12 per cent. Both groups of workers will be paid an extra 7 per cent from March 1, 1981. Original union claims had been for 20 to 25 per cent increases.

Talbot said the agreement will mean that production workers' weekly wages will increase from £83.90 to £90.50 and then to £96.34. Skilled workers' wages will rise from £90.50 to £100.91, and to £107.98 in March.

The company said holiday entitlements at the various plants have been rationalised and there is to be no change in working conditions. Talbot has 11,500 workers on short time.

Talbot took a tough stand in the last pay round, and had expected the deal to go through. There has been no evidence of militancy in Talbot factories although the majority of workers at Stoke voted against acceptance.

Shop floor officials have said union agreement recognises the poor position of the motor industry.

Engineering workers at Vauxhall's Ellesmere Port plant have voted to reject the company's 8 per cent offer. The meeting of the Amalgamated Union of Engineering Workers was poorly attended. Both the AUEW and the Transport and General Workers' Union have now voted against the offer, although the Dunstable plant has accepted the deal.

Clothing employers call for simpler bargaining

BY GARETH GRIFFITHS

CLOTHING INDUSTRY employers have told the National Union of Tailors and Garment Workers that the present bargaining system needs extensive rationalisation and that the several pay agreements in the industry should be amalgamated into one deal.

Talks between the 117,000 strong union and the British Clothing Industry Association broke down on Monday after an employers' offer of 7 per cent on minimum rates to be paid from January 1, 1981.

The unions are complicated by the fact that different sectors of the clothing trade have different settlement dates: the first is due this month and the bulk come in October. The 7 per cent offer did not include any backdating.

The offer would take minimum rates to about £1.33 an hour. The union wants increases in line with the inflation rate, an improvement in holiday entitlement to four weeks, and a reduction in working hours from 40 hours to 38 hours.

Mr. Alec Smith, its general secretary, described the offer as derisory. Fresh talks have been planned for September 18.

The five separate settlements in the clothing industry are usually similar and affect 180,000 people.

The NUTGW says the industry has lost 23,000 clothing jobs and 30,000 workers are on short time.

Mr. James Fitzpatrick, chairman of the National Association of Employers and chief executive of the Mersey Docks and Harbour Company, met Department of Employment officials yesterday. Afterwards he described the Liverpool surplus as "hidden unemployment" which had cost £1.2m in the first half of this year.

Mr. Fitzpatrick was with other members of the National Dockers Labour Board which yesterday asked the Department of Employment to increase the Government's lending up to the maximum statutory borrowing limit for port employers of £10m.

The meeting was said not to have discussed the particular problem in Liverpool, where dockers employed by T. and J. Harrison stevedoring company and Bulk Cargo Handling Service are expected to be made redundant.

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Ayr dispute threatens oil platform

By Our Labour Correspondent
A two-week-old strike at the Ayrshire Construction yard, Hunterston, Firth of Clyde, threatens the safety of a \$60m oil platform under construction for Phillips Petroleum.

Police arrested 45 pickets at the yard yesterday. The pickets were charged with public-order offences. Strathclyde police said the arrests were not made to limit the number of pickets but because pickets allegedly obstructed a private road.

The action involves 900 workers, mostly members of the Boilermakers' Union and the General and Municipal Workers' Union. They walked out two weeks ago, alleging a breach of safety regulations by the yard's management.

Earlier this week, shop-stewards said the workers were prepared to return only if the management withdrew a circular which mentioned a record of bad industrial relations at the yard.

Under the terms of the agreement, the workers were to return to work. Mr. James Milne, general secretary of the Scottish TUC, has also asked the strikers to return, saying Phillips might take the half-finished platform away from the yard if work did not restart.

Phillips said yesterday that progress on the platform was "under review." The company said the last date given for the platform's completion was spring, 1981. It would not say if that date could be adhered to. The platform is due to go into service in the North Sea.

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Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CAINE

COMPONENTS

Variable pitch fans run cool and quiet

RADIATOR cooling fans have long been a problem, and a fuel waster, for motorists and automobile engineers alike. Of fixed blade pitch and running at an invariable ratio to the crankshaft, they move too much air or too little in relation to the ambient temperature and often make more noise than a well-tuned engine.

To meet this problem, Quinton Hazell has developed and manufactured the Thermofan, which applies in reverse the well-tried principle of the variable-pitch aircraft or marine propeller.

The Thermofan is continuously driven by the engine belt and easily fitted to standard pump mountings, requiring no more space than a conventional fan. But it is sensitive to temperature, and the variable-pitch blades draw air through the radiator at a rate needed to maintain an efficient engine temperature.

This flexibility in operation, QH claims, ensures a rapid warm-up from cold and a minimum take-off of power under all conditions.

When the engine needs no cooling air through the radiator, the seven Thermofan blades automatically take up a low-pitch position on their axis, resulting in a significant reduction in fan noise and petrol consumption. As the heat under

the bonnet rises with the radiator temperature, alternate rings of different materials in the fan hub, including acetate resin, which has a high coefficient of expansion, rotate and turn a series of simple cams which change the pitch of the blades.

The airflow drawn through the radiator is thus increased to the extent required to maintain an efficient operating temperature. As the engine temperature falls the Thermofan blades revert to the low-pitch position.

The effectiveness of the fan is therefore related directly to the cooling needs of the engine. QH also claims that there are none of the disadvantages of steep temperature gradients associated with the intermittent fan operation, electric or viscous, that has hitherto been the most commonly used alternative available to engine designers.

Tests have registered noise levels less than half those of the standard fan fitted to the BL Marina, QH claims, and in a typical speed range the shaft horsepower absorbed is reduced by up to 60 per cent.

The Thermofan is likely to cost about 15 per cent less to install than temperature-controlled viscous-drive fans and about the same as viscous-coupled fans which do not have temperature control, says QH.

FINISHING

Spray booths come in DIY kits

CUSTOMERS INVOLVED in wet spraying applications and needing the use of dry filter spraybooths can now collect their selected units from a factory which produces a range of booths offered as do-it-yourself assembly kits.

These comprise galvanneal steel panels which create canopy sides and a pre-assembled filter unit with extraction fan.

Obvious advantages of money and time saving result from this cash and carry method, and there is no need for trained personnel to erect the booths on customers' chosen sites, says Mindon Engineering (Notm.),

Brookhill Road, Brookhill Industrial Estate, Pinxton, Notts. (0773 810034).

Connection to extraction ducting is simplified by a re-designed fan assembly in which the discharge is circular (800 mm diameter) and vertical—spraybooths normally have a horizontal rectangular discharge which requires further tailor-made ducting to fit factory ducting.

Special characteristics involved in the booths include a full width disposable paper filter across the rear panel and a new design of fan with an air flow of 1.27 metres a second, said by the company to be well above the requirements of

PROCESSING

Makes marks at little cost

COSTING ONLY £180 is a hot blocking machine for marking instructions, numbers, etc., on plastic, cardboard and leather, described as a lower priced unit for a high production output, by maker Technical Marking Systems, Westfield Terrace, Sheffield (0742 77951).

It incorporates special dies with thermostatically controlled heating elements effecting an indented mark achieved with the combination of pressure and temperature.

The stroke of the marking head is fixed but can be made adjustable, as can the depth of the characters which can then be applied to the component surface.

Available either bench mounted or pedestal, the machine works in conjunction with special jigs and fixtures to achieve production output with the minimum of delay and is said to be ideally suited for applications on automobile components and domestic appliances and in the printing and general engineering industries.

Basic design lends itself for use in conjunction with hot foil marking by inserting a manual or fully automated foil feed arrangement.

This same company has also launched an entirely new chemical marking kit which has been specially designed for applying stress-free marks, faithfully and diligently, to ferrous and non-ferrous materials in a matter of seconds.

It promises numerous applications, says the maker, in industrial concerns involved in the manufacture of engineers' cutting tools, gauges, etc., in production, inspection and sub-assembly.

LIGHTING

Shedding light on lampmakers' dilemma

IN AN atmosphere of unease containing much talk of over-capacity in the lamp industry and of dumping from behind the Iron curtain, West Germany's leading manufacturer Osram GmbH has followed Thorn, Sylvania and Philips with increasing promotional effort aimed in the main at raising sales of its recently introduced slim tube energy saving fluorescent lamps.

Osram GmbH, a subsidiary of Siemens, has a turnover of about £350m and has a daily output from its European plants of about 250,000 lamps a day which, it claims, is about twice that of UK leader Thorn Electrical. It has no connection with Osram-GEC in the UK, the relationship having been severed after the first world war. The company became wholly owned by Siemens two years ago when GE of the U.S. and AEG sold their equity.

In the UK the Osram GmbH subsidiary is Wotan Lamps with offices in London SW18 and although the UK market share is only 4 to 5 per cent, Wotan managing director Ernst Bruggemann has been able to

double the turnover in the last three years.

In world terms however, Osram GmbH claims to be number four behind GE (USA), Philips and Westinghouse. It now has a total of 28 production centres of which ten are in West Germany, and employs 16,000 people.

The new fluorescent lamp products that Wotan has been introducing into the UK under the name Maxilux have marked similarities in the reduced diameter tubes using new phosphors announced in recent months by other makers. In fact, they are all based, it is understood, on the same Philips patent employing a mixture of red, green and blue phosphors similar to that used in colour television. Coupled with a change of tube gas, these have the overall effect of maintaining the "de-luxe" warm, natural light spectrum normally obtained only at expense of efficacy, while in fact increasing the efficacy to over 90 lumens/watt.

For the same nominal light output this means that the

power consumption is about 10 per cent less.

But what Osram fears, as do the other makers offering this kind of product, is that the premium price demanded (due partly to the high cost of the rare-earth phosphors) will not be properly balanced by potential users against the reduced electricity bills over the life of the lamp. Although all the companies admit that industrial and domestic educational strategies are needed, they all seem reluctant at the moment to earmark funds.

The principal point they make is that the first cost of the lamp is not a highly significant element in the total lifetime cost. They argue that over that lifetime the electrical energy element of the cost can be 10 times greater than the capital cost so that a greater lamp price has much less effect than increases in efficacy. Thus it is claimed that although the new lamps cost three times as much as the old ones, they pay off in the end.

But a problem remains: wholesalers and users have to be aware and convinced of this

argument and then they must be in a position to deploy the high initial capital.

Meanwhile, growing over-capacity and alleged dumping by East European countries (Poland, Hungary and East Germany are quoted by Osram) are tending to depress prices, particularly of tungsten filament lamps. As a result, manufacturers in high wage countries such as West Germany are having continually to improve productivity, even with the availability of "guest" workers.

Osram claims considerable success in increasing throughput while maintaining high quality standards. For tungsten filament lamps for general service, multi-station "carousel" machines have been linked for continuous running so that bulbs from the glass supplier are literally tipped into a hopper at one end while finished, boxed and crated products emerge at the other, ready to put on a lorry.

But more and more attention is being paid to economic production of fluorescent tubes to meet a market which in Western Europe alone amounts

to 220m lamps annually, growing at four to five per cent per annum.

The stakes are considerable however; a new line of the kind about to be put in by Osram at the Augsburg plant to make the new breed of tubes will cost in excess of £7m.

For the future, the company will introduce in the next three or four months a circular fluorescent tube (essentially a normal unit formed into a circle). It can be plugged straight into a light fitting, will give the light of a 75 watt filament bulb but will consume only 25 watts. But it will cost 15 times as much as the bulb. Philips has made similar announcements recently.

GEORGE CHARLISH

QUALITY CONTROL

Measures metal fatigue

EQUIPMENT DESIGNED to accurately simulate and measure, in real-life situations, the joint action of major and minor loadings on fatigue crack formation and growth on high technology materials has just been announced by Instron, Corporation, High Wycombe, Bucks (0494 33333).

The 1500 series Major/Minor cycling system is claimed to be the first of its kind in the world and is intended for use with gas turbine materials, nuclear power materials, roller bearings, and any other material or component with a high frequency loading pattern.

It consists of an electro-dynamic shaker which produces high frequency cycles and a standard Instron hydraulic testing machine which simulates the major low frequency loading.

Although both of these components are now standard in most material testing operations, the difficulty of combining them has never before been resolved.

Thus, the key component in this equipment is a specially developed unit which transmits the tensile or compressive load from the actuator while allowing high frequency movement of the shaker table—effectively isolating the two loading elements.

Control of both elements is integrated through a central console which provides inde-

pendent control of each, but with synchronisation between them.

The strain-gauged load cell is DC excited in order to ensure accurate measurement well beyond the desired operating frequency, says the company, and compensation is also made for inertia errors caused by the mass of grips between the load cell and workpiece and by the acceleration of the workpiece itself.

The workpiece to be tested determines the actual frequency ranges covered. Its stiffness, in particular, will influence the choice of frequency over which desired dynamic force can be achieved.

Developed as a result of recent research which established—for the first time—that fatigue was caused not just by low frequency major cycles, but rather by the combined effect of low frequency loadings and vibration-induced high frequency cycles working in concert with them, a typical application of the system will be testing of materials for gas turbine aero engines.

Here, to simulate the operating conditions as closely as possible, the minor cycle frequency is made to correspond to the engine speed. This requires frequency in the band of 200-500 Hz which is outside the range of normal materials testing machines.

DEBORAH PICKERING

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APPOINTMENTS

CSR energy division management posts

CSR Sydney has made a number of changes in the senior management of its energy division. The general manager, energy division, Mr. E. F. Herbert, will be supported by three deputy general managers, Mr. V. G. Swindon, Mr. D. P. C. Sawyer and Mr. J. K. A. McLeod.

Mr. Swindon will become the deputy general manager responsible for all the energy division's exploration and development work related to coal, uranium, oil and gas and shale. This will include overall responsibility for AAR activities and the development of the Ball Creek, Theodore, Brigalow mines and Yarrabee coal projects. Mr. Swindon will assume chairmanship of AAR Ltd.

Mr. Sawyer has been appointed general manager, Thiess Holdings. He is currently president director of P T Koba Tin, a tin mining operation in Indonesia in which CSR has a 75 per cent interest, and a director and chief executive of the Australian holding company for this project, Kajuara Mining Corporation. Mr. Sawyer will remain director and chief executive of Kajuara Mining Corporation.

Mr. McLeod will continue responsible for NSW and WA activities. He will assume chairmanships of Buchanan Borehole Collieries and Western Collieries.

Mr. Geoffrey E. Knight has taken over from Mr. Edmund Dell as chairman of CSR CHURCH INSURANCE HOLDINGS, insurance broking subsidiary of the Guinness Peat Group. Mr. Dell will remain a director of Fenchurch Insurance Holdings.

Mr. Michael E. O'Neill, a vice-president in the multinational banking department of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, has been promoted to a new position with the bank in Hong Kong. Mr. O'Neill, who has been based in London for three years, will supervise the bank's multinational banking activities for Asia. Returning to London from Hong Kong is Mr. John B. McVittie, vice-president, who has been promoted to marketing manager for Continental's multinational banking activities in the UK.

Mr. Harry Glover has been appointed head technical services of the PROCESS PLANT ASSOCIATION in succession to Mr. Sam Salter who has retired after 30 years' service.

RICOH has formed Ricoh UK to handle the marketing and service of its products in this country. Mr. K. Hara will lead the company as managing director, with Mr. A. Fukushima responsible for sales and marketing.

The AVICA GROUP has made the following changes: Mr. K. P. Roberts, previously general manager of Weatherhead Manufacturing, has been appointed managing director of Avica Special Products and Mr. G. S. Price, previously sales manager of Weatherhead, has been appointed managing director of Avica Hydraulics. Mr. W. F. E. Price remains chairman and chief executive of Avica Equipment and chairman of all Group companies.

Mr. John A. Sullivan has been appointed a director of COMMODITY ANALYSIS.

Mr. H. W. Hylkiss has been appointed production director of SAMUEL BIRKETT, Heckmondwike, West Yorkshire, a subsidiary of IMI.

Mr. Robert Sealey and Mr. Peter Ardron have been appointed directors of BARCLAYS BANK INTERNATIONAL from October 1. Mr. Sealey and Mr. Ardron are both general managers of BBL.

Mr. Bill Taylor has been appointed KENT county treasurer after six years as deputy. He succeeds Mr. Peter Stoddley, who retires early at the end of this month because of ill health.

Mr. John Brooks has been appointed regional production director for AMEY ROADSTONE CORPORATION'S

Mr. J. W. C. Poole has been appointed a non-executive director of BLUNDELL-FERMOGLAZE.

Mr. Barry Jones has been appointed managing director for ARC Western.

ACCOUNTING INFORMATION DEVELOPMENT SERVICES has appointed Mr. Lester Kendler as director.

PRIVATE PATIENTS PLAN has appointed Mr. Roy Forman as general manager for marketing and sales.

Mr. John Grace has been appointed general manager and fire manager of the INSURANCE CORPORATION OF IRELAND.

MELODY MILLS has appointed Mr. Malcolm Thomas to the board in a non-executive capacity. Mr. Thomas is currently vice-chairman of Smurfit.

Miss Carol Friend has been appointed managing director of PIELLE AND CO following management reorganisation and transfer of client activities from Lewis Walker Associates.

Mr. David Layton has been appointed sales director of BIK (UK).

ROYWEST TRUST CORPORATION, Nassau, Bahamas, has appointed Mr. Brian A. Ramsey, senior executive for Latin America and the Caribbean area and managing director of its Cayman Island subsidiary Roywest Trust Corporation (Cayman). He was formerly general manager of The Royal Bank of Canada Trust Corporation, London.

BANCA SEFIN S.A. has appointed Mr. Peter J. Vandenbosch as manager, operations and administration for its new London branch. He was formerly vice-president of Wells Fargo N.A., London. Mr. Robert H. Ramsey, formerly joint managing director of Strabur Inc., is joining Banca Seфин as manager, foreign exchange and money market operations.

Following the recent announcement that over 90 per cent of shareholders have accepted the offers made by Barclay's Bank, a reorganisation of the Board of HAYS WHARF has been made. Mr. F. M. Al-Sabah and Mr. F. K. Jaffer have joined the Board. Sir David H. Burnett, former chairman, has resigned from the Board and is retained as consultant. Mr. M. C. Stanley (former deputy chairman) has also resigned while Mr. D. S. Charabur, Mr. G. S. C. Charabur, Mr. R. E. Cook, Mr. M. C. Everist and Mr. D. J. W. Browne have all resigned from the Board, but remain as senior executives with specific responsibilities as follows: Mr. D. S. Charabur, chief executive; Mr. R. E. Cook, deputy chief executive, finance/business services; Mr. G. S. C. Charabur, marine services; Mr. M. C. Everist, storage, distribution and packaging; and Mr. D. J. W. Browne, oils and chemicals.

Mrs. Annie Robinson has been appointed a director of TELEVISION SOUTH-EAST.

Mr. Harvey Abrahams, production director with The Morden Kane Marketing Group, joins THE CLARK CONSULTANCY as production and administrative director on September 22.

Mr. Vincent A. Ferguson has been appointed vice-chairman of INDEPENDENT NEWS-PAPERS. He succeeds Dr. A. J. O'Reilly, who became chairman earlier this year.

Dr. Anthony Levy has been appointed medical director of the BUPA Medical Centre and the BUPA Nottingham medical centre.

Sir David Barran, who became chairman of Midland Bank in July following the death of Lord Armstrong of Sandhurst, has succeeded Lord Armstrong as chairman of MIDLAND AND INTERNATIONAL BANKS. MAIBL is owned by Midland Bank. The Toronto-Dominion Bank Group, Standard Chartered Bank and The Commercial Bank of Australia.

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Air Freight

Air cargo traffic is in the doldrums. Some major airports report zero growth in business. There have been casualties among some of the leading operators. But the growing use of big-belly freighters offers hope for the future.

Rates cut to win orders

By Michael Donne
Aerospace Correspondent

THE AIR freight industry throughout the world at present reflects a pattern of complex trends. Growth has been affected by the industrial recession in the U.S. and Western Europe, and in some cases zero growth is already being forecast for 1980, as a whole — although in some parts of the world, for example on the route from Hong Kong, freight remains buoyant.

At the same time there has been a marked shift in the pattern of cargo carriage from all-freight aircraft to the belly-holds of the new generation of wide-bodied aircraft. This in turn has resulted in rates being substantially reduced as the scheduled airlines in particular have been scrambling for traffic, especially on some highly competitive routes such as the North Atlantic.

There has also been a ten-

dency for types of cargo to change. Whereas at one time the trend was for cargoes to comprise largely high-value goods of low unit weight or volume, the astonishing increase in recent years in the available capacity in the belly-holds of the growing number of wide-bodied jets in service with the scheduled airlines has resulted in an increasing volume of higher-bulk and lower-valued cargoes being carried — exotic flowers is one case in point, and perishable foodstuffs another.

In this overall situation, the role of the air freight forwarder (as an agent for the cargo shipper) has become considerably more important. He is now in a much stronger position to negotiate favourable rates for his shipping customers, and can in fact very often trade off rates from one airline against those of another to get the most favourable deal he can. This has become possible because the virtually "open skies" policy that now prevails on the North Atlantic has made that route an especially competitive one, while it is also having a peripheral ripple effect on cargo rates on other routes.

Whereas for many years the International Air Transport Association (IATA), representing the bulk of the world's major scheduled airlines, was a major force in fixing cargo rates (as with passenger fares), the more liberal attitude of the U.S., which has been followed by some other governments and airlines which are adopting also the more direct policy of bilateral negotiations, has resulted in an erosion of the IATA authority in cargo rating, and discounting of rates in many

parts of the world is more common than ever before.

Thus the current situation is almost one of confusion in some areas, with airlines scrambling for cargo, and charging almost ludicrously low rates to win it. While in the U.S. and UK some agents and airlines claim that their business is still good, the more common report is that it is not, and that as a result of the recession, even some of the traditionally big air freight users have reduced their contracts, and trade is harder to come by all round.

Cyclical

Just how long this situation will continue remains to be seen. As with the passenger side of the business, most airlines and agents believe that the recession is cyclical and that air cargo business will pick up as the overall economic situation in the Western world itself improves. At the same time, however, they point to the fact that shippers who have in the recent past enjoyed the benefit of cheaper freight rates in a much more liberal market place will not want to return to higher rates or a more restrictive situation.

The airlines will be bound in future to face an intensification of competition, as more and more wide-bodied jets come on to the routes and demands for lower freight rates themselves multiply. Some indication of the enormous increase in available cargo capacity over recent years can be gauged from the fact that by the end of 1979 there were no fewer than 958 wide-bodied jets in service (A-600 Airbuses, Boeing 747s,



Loading freight containers at London's Gatwick Airport

Lockheed TriStars and McDonnell Douglas DC-10s), and that at that time another 382 remained to be delivered. updated, with a further inflow of orders, although at a slower rate, during 1980, but deliveries have been maintained at a high level. They do not include the new "semi-wide-bodied" Boeing 767, which if included adds another 135 aircraft to the backlog of wide-bodies awaiting delivery.

When it is considered that all these passenger aircraft by the nature of their design have capacious holds, each capable

of carrying several tonnes of cargo (15 tonnes in a passenger 747, or 8-10 tonnes in a Tri-Star) and that this capacity is available on every single flight made by every aircraft, the total capacity already available is likely to be in the region of many hundreds of thousands of tonnes annually.

Cargo available to fill this capacity is nowhere near as great, however. Thus the world's airlines already have a major gap to fill that will get worse as time goes on unless they can find new techniques of generating cargo. This has proved dif-

cult enough under normal economic conditions, with many airlines finding it an uphill struggle to convince shippers imbued with traditional techniques of distribution to change their thinking in favour of air transport.

It is proving even more difficult at a time of economic recession. But it is an education campaign among shippers that must be pursued. For the recession will not last for ever, and when it ends the airlines will find the battle for traffic even tougher than it was before. Every major airline will be flying more wide-bodied aircraft, and will be seeking cargo wherever it can find it.

For the would-be shipper, this is likely to be good news, even if it causes major financial headaches for the airlines. For it will inevitably mean a persistent downward pressure on rates, despite the contrary pressures that will also exist for increases to meet ever-rising fuel costs, and inflation in other directions.

To some extent, the airlines are already experiencing this conundrum of demand for cheaper rates while costs rocket. It is even more familiar on the passenger side of the airline business. To some extent the scheduled airlines have been able to contain these cost increases, and offer cheaper cargo rates, because the space available is flying anyway paid for by the passengers sitting on the upper deck.

But, increasingly, airline managements, conscious of the need to boost their revenues in every way, are becoming more aware of possibilities inherent in cargo, and are seeking to

make it pay its way, and if possible yield profits in its own right.

Thus there are some signs already, even in the recession, of airline resistance to giveaway rates, and despite the difficulties caused by "open skies" on some routes, and the erosion of the IATA authority, it is possible that some rates may harden.

Apart from all this, however, in the long term the outlook for air cargo must be bright. Even before recession struck there were signs that many airlines had begun to realise the enormous potential for revenue inherent in the air cargo business, and some very deliberate efforts to boost the business were being initiated, in many cases with a high degree of success. At the same time, snarling fuel costs sharpened their awareness of the need to maximise revenues, and this in turn led to a greater interest in cargo.

Cumbersome

There are many problems to be overcome. In many parts of the world government formalities remain cumbersome, and air cargo is regarded as an intrusion rather than a positive contribution to economic growth. The principles of computerised handling of both goods and paperwork are only slowly percolating through the business, and much more remains to be done here. But, overall, the outlook through the 1980s must remain promising, and the era of massive air cargo expansion has yet to come.

This is confirmed by the IATA itself, which in a recently re-

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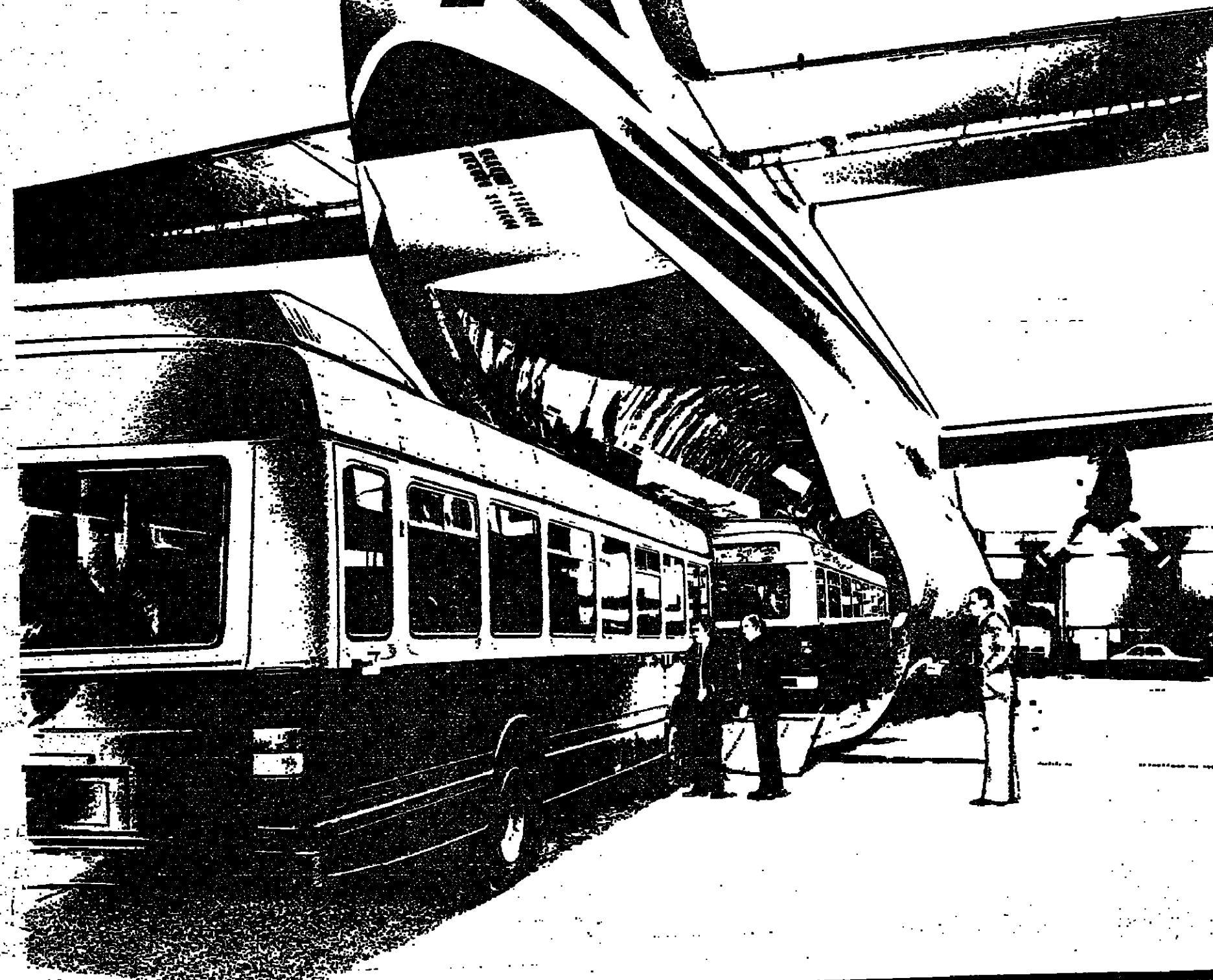
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vised forecast of potential cargo traffic indicated that in the period from 1980 to 1985 inclusive, there would be an average annual increase in cargo world-wide of about 8.2 per cent, even allowing for the effects of the economic recession in some key areas such as the U.S. and Western Europe.

This rate is somewhat lower than the growth rates experienced in the recent past, but the IATA sees some areas of comparatively high freight traffic growth, especially in the south and mid-Atlantic region, as a result of the continuation of improving economic conditions in major South American and other countries, while the continued buoyant economic situation in the Middle East and Far East and South Pacific is also expected to help freight traffic.

The IATA study suggests that the highest growth rate in air freight is likely on the South Atlantic routes, or about 10.2 per cent a year up to 1985, with that between Europe and the Middle East growing by about 9.4 per cent. The poorest expansion rate is expected to be within Europe itself, about 6.3 per cent, reflecting the economic recession.

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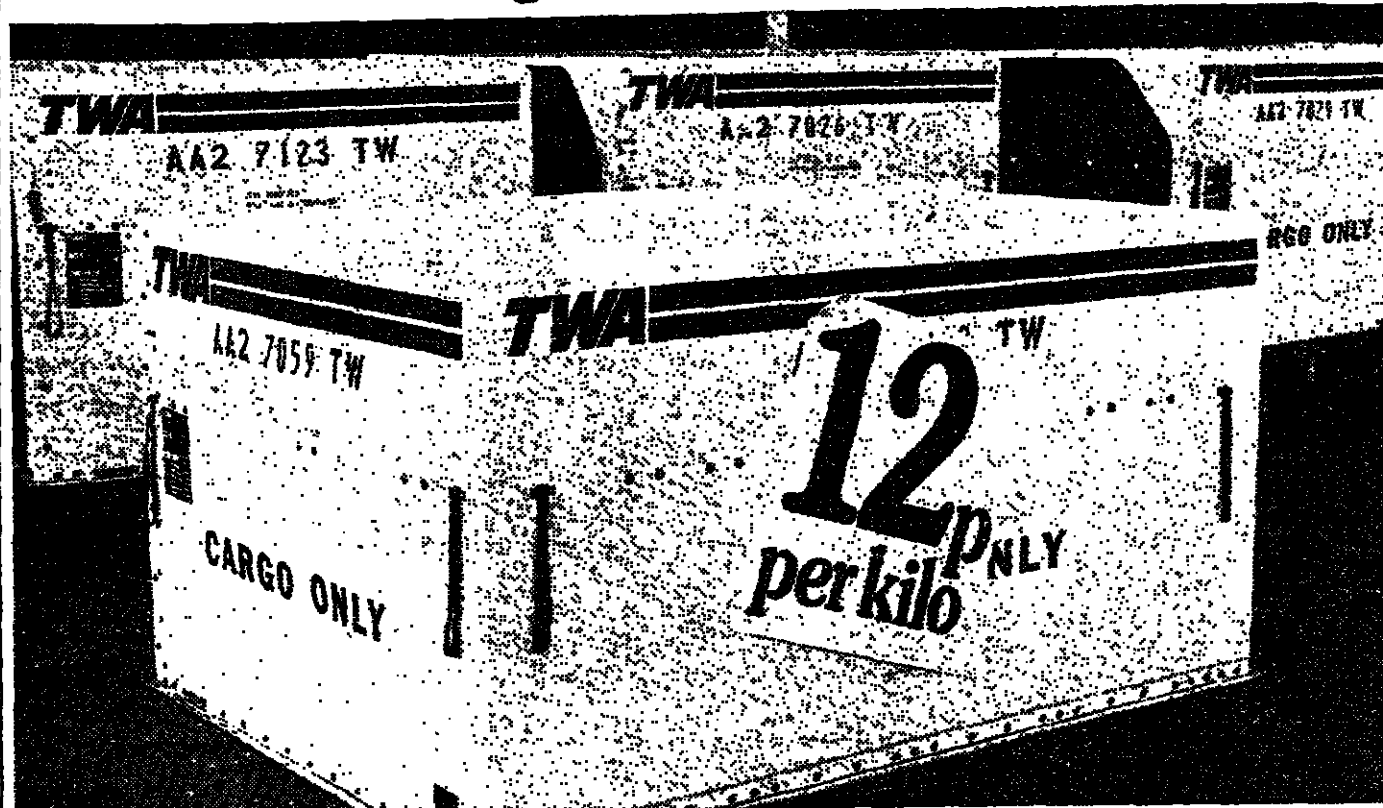
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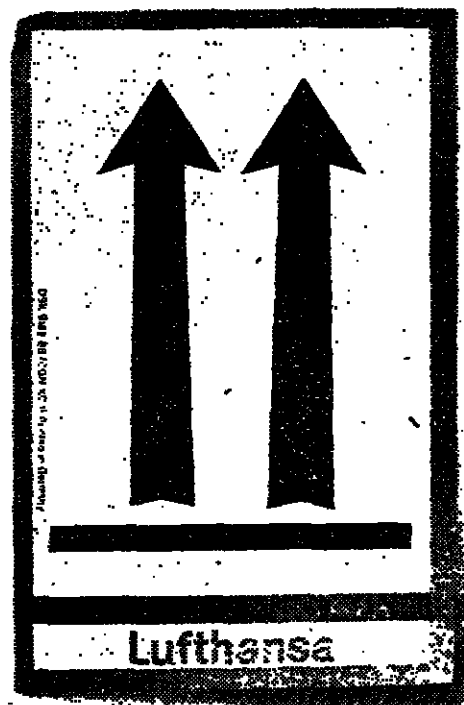
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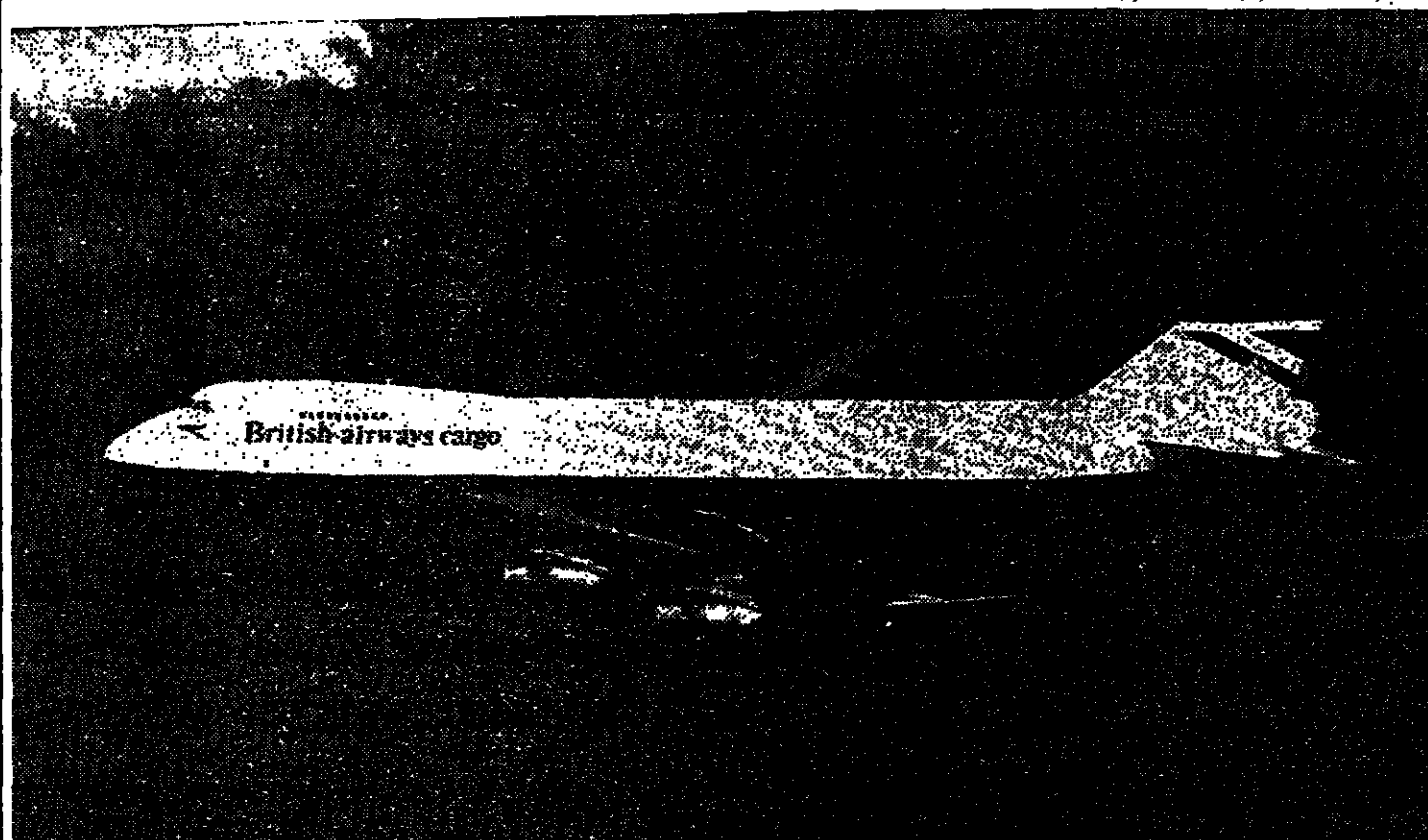
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AIR FREIGHT II



Boeing 747 freighter in British Airways livery. The first Jumbo freighter for this airline is scheduled for delivery next month.

Revolutionary impact of 747 freighter

IN MID-OCTOBER the already substantial cargo capacity offered by the scheduled airlines will be further expanded by the introduction into service by British Airways of a Boeing 747 all-cargo aircraft capable of lifting up to 100 tonnes of cargo at any one time.

This aircraft, the first of its kind in the UK, will be used by British Airways four times a week between Heathrow and New York, returning via Prestwick to Heathrow, while once a week it will also be flown to Hong Kong, via Dubai, returning via Dubai or perhaps also some point in India. Later, British Airways may use the aircraft on a round-the-world cargo operation, via Anchorage, Alaska.

The effect of the 747 freighter will be two-fold. First, it will revolutionise cargo carriage in that it will be able to fly cargo at up to 30 per cent a tonne cheaper than current all-cargo narrow-bodied 707 jets, as a result of the greater fuel efficiency of its four Rolls-Royce RB-211 engines.

Secondly, as a result of its big upward-folding nose-loading door, and its big side cargo

door, the 747 freighter will be able to carry the biggest 20-foot containers, which will enable major shippers to send bulk cargoes—such as car spares, for example—door-to-door from factory to ultimate consumer, using both the 747 freighter and road transport.

Although all the scheduled airlines are now paying much greater attention to air cargo as a means of boosting revenues at a time of industrial recession (which has hit the airline industry hard), British Airways is planning to use the 747 freighter as a major tool in its own bid to boost its cargo revenue from last year's £160m to over £200m in 1980-81.

With over 2,000 staff already deployed on cargo world-wide, British Airways is making a major effort to stimulate business among shippers who have never previously used air transport as a means of distributing their goods. British Airways believes that at a time of recession, when shippers are even more conscious of the need to save money, the long-term benefits of air transport can be expounded even more usefully, so that when times improve—as all in the airline believe they

will—the chances of more cargo business will themselves be enhanced.

Although at first sight air transport distribution costs may appear to be greater than those of surface transport, in fact, with the new generation of wide-bodied aircraft, which are cheaper to fly than older, narrow-bodied jets, and with the other savings that can accrue from air transport—cheaper packaging, cheaper insurance and faster delivery times resulting in faster turn-overs and thus less cash tied up in the distribution pipeline—air transport is a very competitive method of distribution indeed.

Factually

British Airways endeavours to point this out factually to potential customers, through its Distribution Advisory Service, whereby the comparative costs of a potential shipper's distribution system can be worked out on the spot on a mini-computer. In the shipper's own office, the mini-computer can be plugged into the British Airways' cargo computer data bank via the shipper's own telephone, so that the complete details of

the distribution costs of the goods in question can be provided within minutes, for comparison with the costs of using other forms of transport.

In this way, British Airways' cargo salesmen can often prove to a sceptical shipper that he is in fact wasting money, especially a time of recession, in not using air transport.

This Distribution Advisory Service is a key weapon in British Airways' attack on world cargo markets. In trying to reach the shipper who has never used air transport before and indeed perhaps has been afraid to try because of unsubstantiated fears of heavy costs. With the growing use of wide-bodied jets, and the substantial reductions in rates that these can provide, British Airways is convinced that it can persuade many of the so far unconverted to come into their cargo fold. Its target is those industries and businesses that do not use air cargo, rather than those who already do, although the latter are certainly not being ignored in the battle for new cargo business that is now in progress.

Michael Donne

Heathrow centre on hard times

HEATHROW AIRPORT, Britain's busiest in terms of the value of cargo imported and exported last year (£11bn) has hit hard times. This year's zero growth rate for air freight exports from the airport's cargo centre has raised fears of a downturn similar in scale and impact to the depression which hit Heathrow's cargo trade in 1975-76.

The tonnage of cargo handled by the airlines operating out of the cargo centre, all-freight airlines and the mixed passenger/freight operators, fell by an unprecedented 14.4 per cent over the 1975-76 period compared with the previous financial year.

The growth in export and import trade since then has oscillated between 7.5 per cent and 5 per cent and in terms of the record 22.3 per cent growth in tonnage of cargo handled in 1972-73, has represented only a very uncertain road to recovery for the cargo operators.

Their worst fears were realised in the last financial year which ended in March, when the volume of cargo handled at Heathrow grew by a marginal 2.5 per cent. Since the year-end figures, trade has slackened substantially and the latest figures from the British Airport Authority (BAA)—for June 1980—show that cargo traffic at Heathrow fell by 8 per cent compared with the corresponding month last year.

BAA, which owns Heathrow and its cargo centre, reported in July that Heathrow Airport handled just under 491,000 tonnes of cargo in the period 1979-80. This represented the lowest growth for four years and came in the wake of a steep climb in freight rates. With mail, which grew at a more respectable 4.7 per cent compared with the previous year, the total of goods handled by the airport came to 550,486 tonnes, a record for Britain's biggest airport.

Airline cargo managers say the air cargo import trade is still "holding up." British Airways says imports in July

were up 17 per cent compared with July last year. But on the export front the volume of trade is showing all the signs of worsening still further.

One result is the 20 per cent or more cuts in air freight rates announced by the major cargo operators, including British Airways (BA) in July, in a desperate attempt to win business. So far, however, there are no signs the cheaper rates have had any impact on encouraging traders and manufacturers to move more of their products by air.

Illustrated

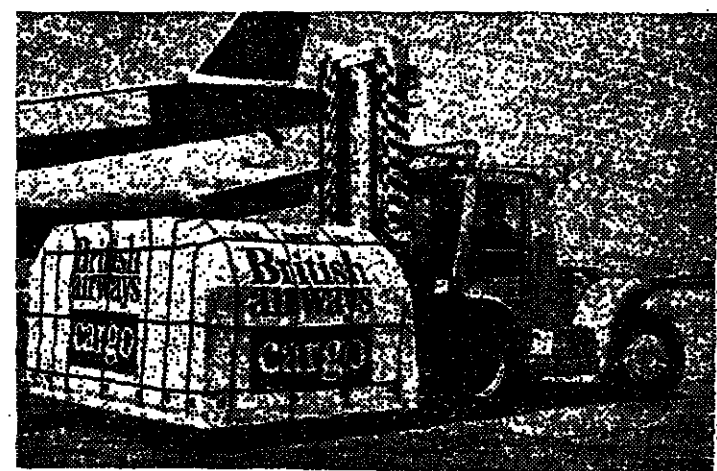
The depression in the market is illustrated by the current spare freight capacity on the once-lucrative North Atlantic routes between Europe and the US.

BA estimates that only about a quarter of the current 4,000 tonnes of air freight capacity on the routes is now taken up with cargo. It claimed earlier this year, before the scale of the depression in air freight was realised, that its share of the transatlantic air freight market had risen by 9 per cent. On westbound services, British Airways Cargo, in April, had won 28 per cent of the market.

Worldwide the company's operations are expected to earn £200m revenue this year. This would be 13 per cent of the airline's expected total revenue from all operations, and although the figure is relatively small compared with the importance of the passenger sector, it still plays a vital role in helping the airline to optimise its income from expensive aircraft and ground handling equipment.

British Airways' base for cargo operations is its "Cargo Centre" warehouse complex at the London Airport Cargo Centre, the unofficial name given to the collection of warehouses and bonded stores leased to airlines by the British Airport Authority.

About 85 per cent of the airline's tonnage is handled by the



British Airways' ground handling facilities have been reinforced by the addition of two of Hyster's new Challenger range of fork-lift trucks.

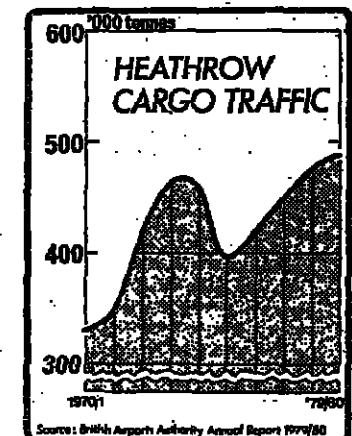
Cargocentre and last summer BA announced plans to build a new container handling unit at the centre to help speed the flow of cargo into the airline's import warehouse.

Construction is expected to be completed in a few weeks and will have cost BA over £1.4m. This is the first stage of a long-term plan to modernise and expand the Cargocentre.

Last June BA said the total cost of the improvements—including a mechanised air freight container handling system—could be about £20m. This now looks like an over-ambitious scheme in view of the severe downturn in air freight demand and the poor results of the airline in the last financial year—which showed a retained profit of only £4m, on a turnover of £1.92bn.

The airline has already said that it may have to sell some of its older aircraft—and its new aircraft equipment programme, although unlikely to be cancelled, is expected to be postponed until there are surer signs that the market has picked up.

However, the airline is still going ahead with its plans to



CONTINUED ON NEXT PAGE

AIR FREIGHT III

Charter operators squeezed

SEVEN YEARS ago, when the volume of cargo being carried on services operated by the independently owned charter airlines had reached such proportions that the scheduled airlines had become seriously concerned at the loss of revenue they were suffering, Sir David Nicolson, the then chairman of British Airways, made a statement which, if it has not exactly proved prophetic, unwittingly predicted the fate which has overtaken the charter airlines in recent months.

"If we do not get a rate structure which is competitive with charter operator rates," Sir David said, "we, the scheduled airlines, shall have to gradually move more and more into charter operations ourselves."

In fact, the scheduled airlines have not moved any further into the cargo charter business than they were at the time of Sir David's statement, but they have become so competitive in the rates they are offering—which are not always in accordance with the International Air Transport Association (IATA) rate structure—that they have succeeded in driving out of business the two British independent airlines which together carried the lion's share of all cargo in and out of UK airports—and to a lesser extent of the principal European airports—on charter services.

The two were, of course, IAS Cargo Airlines and Transmeridian Air Cargo (TAC)—the latter having been rescued from collapse by IAS which was re-named British Cargo Airlines shortly afterwards and became the largest cargo charter airline in terms of aircraft capacity in Europe. In March of this year, seven months after the rescue of TAC, British Cargo Airlines went into voluntary liquidation owing some £6m.

The cards that were stacked against British Cargo Airlines were not so much the increases in the cost of fuel and other operating costs—factors which face all airlines—but quite simply the proliferation of belly-hold capacity for cargo of the wide-bodied passenger aircraft operated by the scheduled carriers—the Boeing 747s, Douglas DC-10s and Lockheed TriStars.

When Sir David Nicolson spelled out how the scheduled airlines would have to get to grips with the charter carriers the 747 had been in operation for little more than three years. It was the only wide-bodied aircraft in service and at that time its numbers were limited: a freighter version was still in the production stage.

Dominated

In its early years of operation the 747 was concentrated mainly on the North Atlantic route, a route which was virtually closed to the charter operators and one which, since it was dominated by the scheduled carriers, they had no intention of entering except, perhaps, for an occasional ad hoc flight. The 747, with a full passenger load and their baggage, is able to accommodate 30 tonnes of cargo; with the Douglas DC-8 and Boeing 707 in both passenger and freighter roles, the capacity across the North Atlantic provided by more than 20 scheduled airlines operating on the route with these aircraft types—and still is with the later types—more than adequate to meet the cargo requirements.

The charter carriers developed and exploited the routes which were not yet served by the wide-bodied aircraft, and on those routes they were hard pressed to meet the demand which the new low rates they

were able to charge created. The delay of anything up to a week, but more usually only two or three days, in the time taken for a consignment to reach its destination by charter flight proved of little consequence to the increasing band of shippers who were literally queuing for space. Their concern was the savings they were able to effect by using the charter operators instead of the scheduled ones whose rates, fixed by IATA, were, to almost all destinations, more than double those of the charter carriers.

Hong Kong, Singapore, the Middle East and Gulf States, Ghana, Kenya and Zambia were the plum routes dominated by the charter operators, and in spite of the limitations imposed by the UK's Civil Aviation Authority (CAA) on the number of flights they were permitted to operate between any two points during a twelve-month period, they were carrying one-tenth of all cargo moving in and out of British airports, nearly all of it on what became known as split charter flights.

The limitation on the number of flights they could operate, coupled with a restriction on the weight of individual consignments making up a split charter (500 kilos), made the propeller-driven CL-44 and Boeing 707 aircraft types being used by the independents adequate for their particular operations.

Then, in the autumn of 1977, the scene changed. The CAA, under mounting pressure from the three major British operators of the day—IAS, Transmeridian, and Tradewinds—and despite considerable opposition from British Airways and British Caledonian, as well as some of the foreign carriers, decided to unleash the charter carriers. Thenceforth they were free to operate without restric-

tion to almost anywhere in the world where they could obtain landing rights.

The CAA had taken the first step towards de-regulation of the air transport industry, using the charter operators as guinea pigs. And it proved to be the latter's undoing, as subsequent events have shown.

With the world seemingly now their oyster, the independent charter operators lost no time in expanding. New and bigger aircraft were added to their existing fleets and additional crews and ground staff were taken on to fly and handle them with marketing and sales staff recruited to provide the back-up; modern handling equipment was acquired along with greater warehouse accommodation and office space; and all the time the scheduled airlines were progressively introducing wide-bodied aircraft, with their enormous bellyhold capacity for cargo, on their services over the very routes which the charter carriers had developed and which had been providing such a bonanza for them.

Narrowed

As fuel prices and operating costs increased the charter airlines were forced to raise their rates. Ironically, because the scheduled carriers' revenue derived mainly from their passenger load factors they were able to hold theirs, or make only marginal increases in them. In addition, they started to offer a number of innovative incentives to attract shippers back to their services, and as fuel and other costs escalated and the charter operators raised their rates to meet them and the financial drain of their new investments in aircraft, staff and premises, the rates gap between the two narrowed.

Competition from European-based charter airlines like Martinair in Holland and Cargolux in Luxembourg and Lufthansa's charter subsidiary, German Cargo Services, all of which were offering highly competitive all-in rates for trucking shipments from the UK to fly on their services to destinations served by the British charter carriers, added to the pressure which ultimately led to the demise of Transmeridian and then British Cargo Airlines. They lost their share of the market to the scheduled carriers and their competitors on the other side of the Channel.

In any assessment of where the future lies for those charter operators which remain one indisputable fact emerges. It is that there will always be a requirement for them—albeit in a rather less flamboyant role than the one which they carved out for themselves, and enjoyed, over the past decade.

Their future undoubtedly lies in acting as supplemental carriers for the scheduled airlines—providing additional capacity on routes where it is limited, mainly to newly developed countries where markets are being opened up, in operating to destinations off the routes of, and not served by, the scheduled carriers, and in the transport of outside loads too heavy or too large to be carried in the aircraft of the scheduled airlines.

As more and more scheduled carriers withdraw from the operation of freighter aircraft—as they are progressively doing—there will continue to be a role for the independent charter operators. But it will clearly be on a very limited scale compared with the past.

Peter Hering
Air Freight Editor,
British Shipper



How the European charter operators with their wide-bodied aircraft score over their British competitors. This fleet of Range Rovers was shipped by sea to Holland and then taken by road to Amsterdam's Schiphol airport to be flown in one of the Dutch Martinair group's DC-10s to the Middle East



A cargo carrier of the future. Four of these airships have been ordered by Redcoat Cargo Airlines, a relative newcomer to the ranks of British charter operators. The first is due to start operating in 1984. It can carry 58 tonnes of cargo, taking 24 days to cross the North Atlantic and a similar time to reach the Middle East

Hard times

CONTINUED FROM PREVIOUS PAGE

always available as the BA TriStar is able to carry 10 tonnes of freight and there are six flights a day.

Mr. Frank Hudson, the commercial manager for British Airways Cargo, said the scheme may be extended to other routes if it proved to be successful on the Paris service. The aim is to generate new freight traffic, especially from other modes of transport, a strategy also adopted by the Distribution Advisory Service run by the airline.

The service is based on computer programmes designed to find the total costs of distribution for potential customers. These include the costs of warehousing, distribution, stock-holding, transit times and transportation costs. The computer programmes attempt to compare various transport modes to give the optimum mix of transport modes for a particular route.

Expected

The airline plans to update the system this autumn with an order for a U.S. microcomputer, using the latest disc information storage system. The total cost is expected to be approximately £12,000, although no final decision on which computer to use has been taken.

This computer will be very small in comparison with the main "BACCHUS" computer used to help process and store information on every item of cargo passing through British Airways' 422,000 square feet of cargo space at Heathrow. Display units are positioned next to the telephones used to receive many orders and information can be fed into the system as soon as it is received.

BA is helped by the large number of freight forwarders who act as intermediaries between manufacturing companies and their customers, and as much as 80 per cent

of the airline's business now comes from agents and forwarders.

These companies are likely to get even more business from the state airline as it continues its attempts to cut manpower and raise productivity while maintaining ambitious expansion plans for the future. Staff numbers of British Airways Cargo have been cut by 3 per cent a year in recent years and the current total of 1,800 is expected to be further reduced by the airline's policy of not replacing staff who leave.

In particular, British Airways plans to get outside companies to handle up to half of all its container movements over the next five to six years. Only 17 per cent to 18 per cent of all the airline's containers for exports are currently handled by outside agents and forwarders.

The proposed change will demand extra space at the BA Cargo Centre for air freight forwarders. This probably will result in an extension of the Heathrow Forwarders Bond storage area now housed under the same roof as BA's import and export operations.

Other changes at Heathrow likely to be announced in the next two years include the replacement of the London Airport Computerised Entry System—LACES. This monitors the flow of cargo arriving at Heathrow ready for clearance by HM Customs.

LACES is run by the Post Office's National Data Processing Service, but was shut-down for three months in the last financial year at the height of disruption by civil servants.

The system is rapidly coming towards the end of its useful life and will have to be replaced in 12 months to 18 months time. The planned replacement is a system known as ACP 80, although no final decisions have been made.

Lynton McLain

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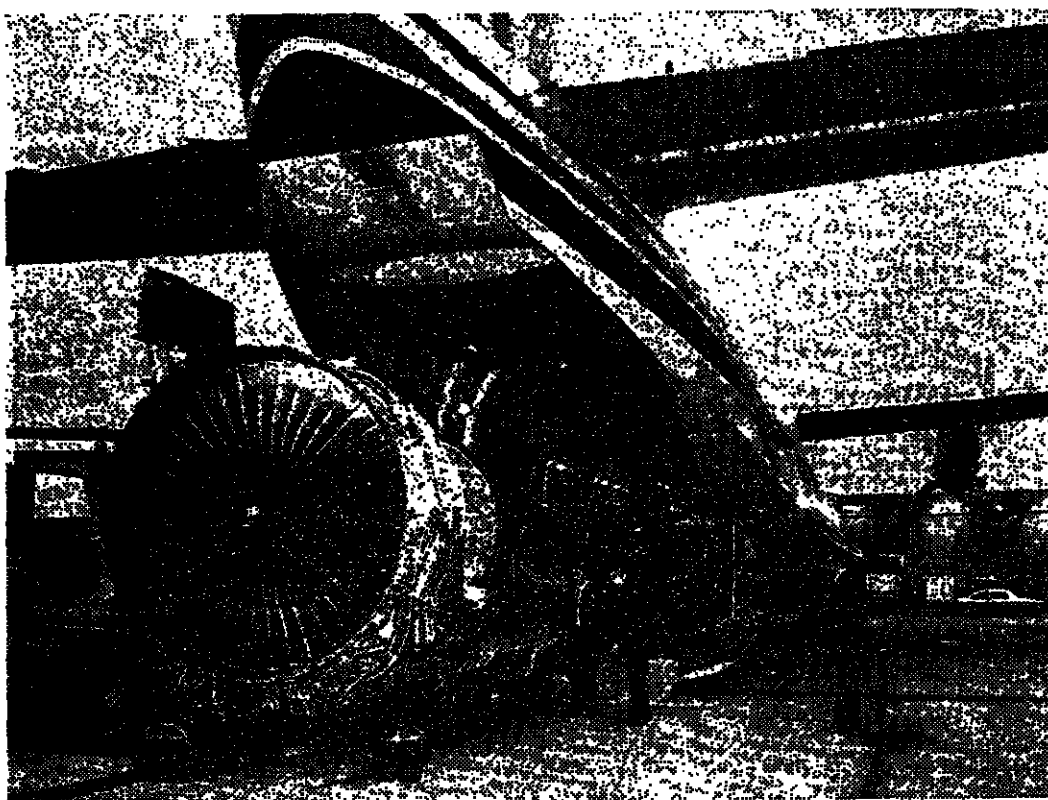
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AIR FREIGHT IV

Heavy casualty list among the specialists



Loading a jet engine of the type which powers the wide-bodied aircraft into a HeavyLift Cargo Airlines Belfast freighter

THE PAST 12 months have been a period of change and uncertainty for air cargo operators, yielding a mixture of good news with word of financial disaster. In March British Cargo Airlines, once Britain's largest single air cargo operator, announced that it had asked the National Westminster Bank to appoint a receiver and manager for the group. The airline said the action was necessary because of "escalating aviation fuel prices, severe price competition resulting in the aircraft fleet being underused, and the decline in world trade."

The unprofitability which sparked the action of appointing a receiver started last year and then increased with no signs of any stability returning to the airline's affairs. A pre-tax profit of £1.3m was made on turnover of £28.3m in 1978-79. But in the first six months of the past financial year the company announced a loss of £305,000 on a £15.7m turnover.

These results included for the first time the consolidation of the original company, IAS Cargo Airlines with the Transmeridian Air Cargo airline, a Trafalgar House subsidiary. The acquisition of Transmeridian Air Cargo coincided with a severe impending contraction of the air cargo market combined with rapidly escalating costs and a bout of rate-

cutting by agents which aimed at increasing the amount of freight carried by air. The specialist air cargo carriers also felt the impact of the greater efforts by the scheduled airlines to make maximum use of existing passenger aircraft hold capacity. British Air Cargo's initial response to the loss — "the first occasion for a number of years that the company has not made a profit" — was to sell its entire fleet of seven CL44 cargo aircraft and keep only the fleet of six DC8 jet aircraft.

Suspended

Eventually the British Civil Aviation Authority suspended the airline's operating licence and other cargo operators, in particular Tradewinds, based at Gatwick, took over British Cargo Airlines' prime contracts, including the contract to carry Australian meat by air.

The story of British Cargo Airlines finally came to an end on April 28 this year when it was compulsorily wound up. A debt of over £26,000 remained outstanding. But although the impact of rising operating costs in a falling market, increasingly dominated by the scheduled passenger airlines led to the end of British Cargo Airlines, the rationalisation in the industry

had other and more positive effects.

March also saw the setting-up of a new, highly specialised air cargo operator, HeavyLift Cargo Airlines. The company was formed by the Cunard Steamship Company, part of Trafalgar House Group, and Eurostat Aviation, part of the Eurolatin Group.

The company has come into being at a time of general difficulties in the air cargo market. But that it will follow the path of British Cargo Airlines in the immediate future is made unlikely by the new company's marketing strategy.

Instead of opting for aircraft similar to those operated by most other cargo operators, such as the narrow body DC-8s or Boeing 747s, HeavyLift Cargo Airlines, as the name implies, chose three of the 10 Belfast strategic freighters formerly used by the Royal Air Force.

Up to £4m was spent in modifying the Belfast freighters for use in commercial air cargo operations. The first of them was involved in a specialised cargo role in the spring, ferrying defence and other equipment overseas from HeavyLift Cargo Airlines base at Stansted Airport, Essex.

The second Belfast freighter was brought into service in the summer and the third is expected to be completed by the

end of the year. Demand for the specialised, heavy load and high capacity features of the Belfast was such that the company had to turn away work until the second aircraft was completed.

The company's managing director, Captain P. J. McGoldrick, said earlier this year that the size of the aircraft had surprised many people. Very bulky items that had been considered only for sea travel were now a viable proposition by air, he said.

One advantage of the Belfast's specialised characteristics for companies with cargoes to move was the reduction in the costs of port charges, packing costs and even insurance rates.

HeavyLift Cargo Airlines has won a number of highly specialised air cargo contracts since operations started in March. These include the spectacular delivery of Westland Sikorsky S-61 helicopters to the Middle East from England and the contract to airlift 35 BAC 1-11 airline fuselage assemblies to Romania over the next five years.

The company also has won a contract to return back to Britain in one trip—all the display material associated with a recent British aviation exposition at Shanghai, China.

A potentially highly lucrative contract is currently being negotiated with Boeing and Aeritalia to airlift components for the new generation of 757 and 767 airliners from Italy to Boeing's plant at Seattle.

The longer term aim of the company is to develop relations with potential industrial customers with a view to encouraging engineers and designers to modify industrial designs and manufacturing activities to make the resulting products match the heavy lift capability of the Belfast.

Each Belfast freighter now has a capacity of 320 cubic metres and a maximum lift capability of 75,000 lb, or 33 tonnes. But it is often the volume capacity that has attracted customers rather than the heavy lift capability. HeavyLift Cargo Airlines has cleared space to Luftwaffe to air freight low-weight high-bulk textiles from India to West Germany. Mobile surgical hospitals and drilling rigs have also

been carried for other customers.

The high demand for the aircraft suggests that the market may be able to support more capacity and HeavyLift Cargo Airlines is now talking with Rolls-Royce about the possibility of purchasing extra engines for the two Belfast aircraft bought by the company without engines. The company's total operational fleet of Belfasts would be five, if agreement can be reached with R-R.

New equipment for the general operator and the specialist air freighter will be on show at the "Airfreight in Action" exhibition to be held at Heathrow Airport from September 17 to 19.

Immovably

One of the novel developments on show will be the "pneumatic track system" developed by Hydraroll to solve the problem of "shunting" of cases or pallets into one another while the cargo is in transit. Compressed air enables the rollers to be raised above the roller track level allowing free movement of loads. By releasing the air flow, the rollers retract, leaving the cargo sitting immovably on the tracks.

Other new equipment for air cargo handling is described in the new British Airport Equipment Catalogue. This was launched at the Farnborough Air Show with the support of British Overseas Trade Board, the British Airports Authority and the UK Civil Aviation Authority. Five thousand copies of the catalogue have been sent to senior management in airports, airlines and civil aviation offices across the world.

The catalogue is the first of its kind to be launched in Britain and follows and initiative by the National Economic Development Office after concern that Britain had no centralised, co-ordinated marketing approach to the sale of equipment for the lucrative airport equipment market.

The activities of over 200 British companies are included in the first edition of the catalogue and a second edition is to be launched next year.

Lynton McLain

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Airlines unhappy with forwarders

SINCE NO less than £207.6m was contributed towards the revenue of the airline members of the International Air Transport Association (IATA) by the UK's IATA-approved forwarders during the whole of last year for the cost of carrying freight on services out of British airports, the dependence of the airlines place on the forwarding industry and the extent to which it can affect their fortunes will be readily appreciated.

Yet below the surface—and not only in the UK—dissatisfaction has been simmering for some time among the cargo chiefs of the scheduled airlines about the failure of the forwarders to generate a greater volume of traffic.

Although revenue originating from the forwarders last year increased by £13.4m over the 1978 figure, it showed up unfavourably against the 1978 gain of £19.6m and even more so when compared with the 1977 revenue increase over 1976, of £31.4m.

Maintain

Taken over the five years since the forwarders first topped the £100m mark in 1974, their revenue to the airlines has almost exactly doubled, and although this has produced an impressive figure, the airlines maintain that the increase represents no more—and in some years less—than the increases that have been made in their cargo rates during the same period and does not represent any significant growth in tonnage shipped on their services.

It is this more than any other factor—and there are others—that has triggered off the rupture which currently prevails in airline-forwarder relations and has led to the below-the-surface simmering actually breaking surface, as they did last month when British Airways took the unprecedented step of withdrawing its agreements with more than a dozen IATA-approved forwarders under which they act as sales agents for the airline. In the past this is a measure which has been resorted to only in the event of a forwarder defaulting in payments due to an airline, and in such cases the agreement has been restored when the position has been rectified.

The effect of the action British Airways has taken means that the forwarders concerned will no longer receive commission—currently 5 per cent—for any shipments they may pass to the airline; nor will they be able to use its airwaybills. They will in fact be in what could prove to be an embarrassing situation since apart from the obvious loss of prestige the withdrawal of the national carrier's sales agency will inflict—it is possible that other airlines could take similar action if they are dissatisfied with the volume of tonnage being shipped on their services by the same, or other, agents.

British Airways' decision to act was taken only after it had issued warnings to more than 20 forwarders a year ago that the airline would have to review the continuance of their

sales agency agreements unless there was a considerable improvement in their tonnages. As it transpired, the ultimate measure was not taken against all those who were warned but the airline has made it clear in discussions with the forwarders that the cost of maintaining accounting systems and other administrative services, including back-up support, can no longer be justified where revenue produced by a forwarder fails to meet acceptable levels and that henceforth annual reviews will be carried out of each forwarder's billings. Should these fall short of levels set by the airline there is little doubt that other forwarders will run the risk of having their sales agencies withdrawn.

Currently, there are 161 forwarders on the UK mainland who have matched up to the various standards of competence, financial stature, prudence, suitability and handling equipment set by IATA to operate as accredited sales agents for the Association's airlines—a function which is automatically bestowed on obtaining their IATA hallmark. In 1974 they numbered 117, but each year as new forwarders set up and existing ones which have failed to measure up to IATA's requirements in the past are granted accreditation, the number increases.

Of those carrying the IATA seal of approval at the last count, only forty-four were listed among the "elite" contributing £1m or more during last year to the airlines. Topping the list, as it has done traditionally during most of the last ten years, was Pandair, a member of the P & O shipping group, contributing £17.2m into the coffers of the IATA airlines compared with £12.5m of runners-up Air Shipping Agencies (ASA), owned by Jardine Matheson.

Originating

These two, with the other forty-two in the "millionaire league," were responsible for approximately 66m of last year's total forwarder revenue to the scheduled airlines for cargo carried on their services originating in the UK. In addition, the forwarders are likely to have spent another £100m in carriage charges with the airlines which are not members of IATA—among them the all-cargo carrier Seaboard World, Pan American, Gulf Air and others—and with the UK-based and European charter operators.

These totals represent about 80 per cent of all cargo traffic carried on the scheduled airline services and slightly less of the total shipped on charter flights. It is a formidable contribution to airline revenue and its significance was underscored earlier this year when British Airways disclosed that for the first time freight carried on its services during its 1979-80 financial year exceeded growth of its passenger traffic during the same period.

In spite of this, British Airways, in particular, has no hesitation in voicing its disenchantment with the apparent inability of the forwarders to generate a greater volume of

traffic for carriage on its services, operating as they do over the largest network in the world. Similar sentiments are being expressed by the national flag carriers of other countries operating out of the UK.

One of their main bones of contention is the increasing volume of freight that forwarders are shipping on charter services, the lion's share of which, since the demise of British Cargo Airlines, is now being trucked to Amsterdam, Brussels, Frankfurt and Luxembourg for carriage on flights operated from those airports by highly efficient and cost-cutting European, Middle East and African charter airlines.

Prompted

It is these two factors that have prompted British Airways to take a tough line with the forwarders in the hope that it will create the response it is seeking from them. While other airlines have not yet followed the British Airways line of cancelling sales agency agreements, they too are now giving the forwarders food for thought by concentrating much of their sales effort directly with the shipper instead of with the forwarders as hitherto.

An example of this was emphasised by TWA's cargo vice-president during a recent visit to London when he stressed that his airline's cargo marketing strategy was now to "move away from the middle-man" and take advantage of the commercial market by selling direct to shippers.

This policy is also being followed increasingly by British Airways, whose latest advertising in the trade Press is not only addressed to the shipper, but breaks with tradition by inviting him to respond directly to the forwarder instead of to a forwarding agent.

What is perhaps ironic about this new strategy of the airlines—which some forwarders describe as being a stab in the back—is that at the very same time as it is being implemented, the forwarders through the Air Freight Institute of the Federation of International Forwarders' Associations (FIATA) has recently set up a joint working party with IATA—which in the past has steadfastly refused to enter into discussions with the forwarders, or negotiate with them—for the very purpose of establishing a more co-operative working relationship between the two sides of the industry and an agreement leading to forwarder involvement in decision-making on matters of common interest.

These are wide ranging and include such things as rating structures, rules for consolidation (groupage) traffic, limiting the approval of new agents and the imposition of penalties on agents who transgress the rules. For just how long the forwarders will remain the whipping boys of the industry remains to be seen. What is clear is that the prevailing recession provides them with an ideal opportunity to take a long hard look at their own marketing and sales strategies to discover just where the weak links lie—which is exactly what the airlines want them to do.

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ON

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Published to coincide with the Military Electronics Defence Expo in Wiesbaden

WEDNESDAY, 8th OCTOBER, 1980

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هكذامن الشهر

THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

Despite cuts, advertising will be screened from the worst of the recession

Agencies' resilience put to the test

THE PICTURE is patchy, but there are belated signs that the advertising business, whose fortunes of the past nine months have contrasted violently with the ill of its clients, is coming under strain. Budget cuts, superimposed upon the severe cost inflation of the past three years, mean that margins are vulnerable and redundancies certain. On some estimates, up to 1,700 jobs could be at risk, although marked productivity gains of the past few years mean that most agencies are already well screened from the full fall-out of recession.

There is still no concrete sign of the severe shake-out in advertising that some expect—at least nothing to match the upheaval of 1978-79. But pessimism is setting in, and there are indications, even among those most able to grin and bear it, that the going will be hard until well into next year.

It is impossible to generalise. Wasey's chairman, Colin Goodson, says that although there have been few redundancies to date, it is "quite on the cards" that up to a tenth of its 225-strong workforce could go. "So far this year, the agency as such has done very well, but because of pressures on our clients, we have to economise," Wasey's handles a lot of appliance and retail advertising, but the impact of cuts, it says, has been felt across the board.

Last year Wasey's billed £38m. This year it could have expected £49m. In the event, it is likely to bill £40m. "At our most pessimistic," says Goodson, "billings could be down by 20 per cent. We have to economise. Broadly, an agency has only two major costs: rent and people. It is my view that pressures like this are being felt generally."

But not among the Big Four, at least not currently, or at any rate publicly. Between them, JWT, Saatchi, McCann and Masius billed £260m in 1979; this year, it will exceed £310m.

At JWT, which has in any case added on a weight of new business in the past five months, managing director Michael Cooper-Evans says no layoffs are planned. "There were 549 of us yesterday and there are 549 again today. It fluctuates, of course, due to normal comings and goings, but apart from the fact that we have taken on a lot of extra business, we have not so far been informed of a single major budget cut. Inevitably one is nervous. To date, manufacturers have grunted their teeth, but the time will come when sheer financial pressure obliges them to take a much more brutal view."

The pattern is highly volatile. BL, one of Saatchi's biggest clients, has this year virtually doubled its expenditure (to £10.5m) because of the desperate struggle in the car



Left to right: David Lee, chairman of Masius; "No question of lay-offs." David Wheeler, director of the IPA; "There is little real fat on agency pay-rolls." Michael Cooper-Evans, managing director of J. Walter Thompson; "We have not been informed of a single major budget cut"

IPA Agencies—Total Employed

	All	London	Outside
1972	14,864	11,739	3,125
1979	15,272	11,343	3,929
	+2.7%	-3.4%	+25.7%

market and it is factors like that, alongside heavy spending by importers, that are distorting the picture.

On the other hand, Saatchi chairman Tim Bell says that he, too, is unaware of a single major budget cut. "We employ exactly the same today as 12 months ago. We are laying no one off. It remains my general impression that manufacturers are indeed taking the view that the severe advertising cuts of 1973-74 were a mistake that cost them more when it came to winning back brand franchise than was saved in the first place."

At Masius, chairman David Lee says there is "no question" of lay-offs. Buoyed by the recent gain of Talbot's £6m account, as well as McDonalds, billings at Masius are running well ahead of forecast, although as David Lee says, "you have got to have growth, otherwise

were going to make cuts have made them, otherwise the budgets are still there. It is the picture for next year that is so unclear."

At the Institute of Practitioners in Advertising, director David Wheeler says there is very little real fat on agency pay-rolls. "Reductions, if they occur, will be the product of natural wastage and good dieting rather than hard fasting, and will probably be felt in the area of general administration."

Even on an aggregate basis, the numbers involved in the advertising business are small. In 1972, the number employed in all IPA agencies was 14,864. At the height of the shake-out it fell to around 13,500. In 1979, according to IPA figures, the total had recovered to 15,272, a gain of 408, or a mere 2.7 per cent, in 1972.

It is the agencies' claim that advertising is not at all the frivolous business it is sometimes portrayed, but one that is large, resilient, efficient, stable and broadly-based. Large it is, and broadly-based it has become. What is now to be tested is its efficiency and resilience.

On the evidence so far, it could pass with flying colours.

AUTUMN CAMPAIGNS

Renewed struggle in quality Sunday field

THE EASE with which Fleet Street titles apparently shrug aside the caresses of the grave make it a pleasure to report that The Observer has not only cast off its pallor of last month but has actually visited the rouge maker—to wit, Davidson Pearce Berry and Spottiswoode, its advertising agency, which has just launched a £180,000 advertising campaign on The Observer's behalf.

This special push is using posters, press and magazines and radio, and will see the return to your screens of The Observer's award-laden Citizen Kane TV commercial.

Main aim of the campaign is to promote a six-part series on the U.S. starting this Sunday. The Observer has already spent £750,000 above the line this year, so that its advertising bill for 1980 will be only a few pence short of £1m. Circulation is just below 1m, and demand, the paper says, is "very strong." Shortly it will revert to four sections.

The Sunday Times says it will be spending roughly "twice as much" as The Observer this autumn, mainly, it says, to help counteract the 5p price rise (to 30p) last Sunday. It is using TV, cinema, and just a dash of radio, and says circulation, at a little over 1.4m, is holding strong.

Dorland toasts significant gain

● Dorland this week could afford to toast itself in style, having won the £1m account for Cadbury's Drinking Chocolate, a more than handsome compensation, if non-alcoholic, for away Dubonnet.

Dorland is not only bucking the general downturn in advertising, but is doing so with panache. Billings last year totalled £26m, and business this year will be up by more than a half, to around £40m.

On a Media Expenditure Analysis basis, Dorland will emerge as Britain's eighth biggest agency by the end of the year, predicts chief executive Jack Rubins—the point being that Dorland says it eschews the numbers game and reports only rock-hard figures.

"That is more than can be said for some of our competitors," says Rubins, "some of whom add in their telephone number, their address, and anything else to hand."

It has scored some notable gains, including the whole of National Savings, a £2.5m-£3m account formerly at Saatchi's, Alders, Pan Books and Eastern Gas. There is also a weight of business won last year, such as Bass Charrington pubs and Wills Golden Virginia, helping to fuel the growth.

Cadbury's Drinking Chocolate has been at Ted Bates for 25 years, but was wrested away thanks to a large measure to the way Dorland handled its research. The other two agencies involved in the pitch were Kirkwood's and Grey's.

Not unexpectedly, Rubins describes the win as an exceptional one. Dorland already handles Cariba's and Rose's Lime Juice



for Cadbury-Schweppes, though that had nothing to do with the gain. "Only a few of the famous advertised brands move in the course of a year, and there could be more to come. You very rarely capture a major brand like this on its own."

Where complaints are invited

● The monthly case reports from the Advertising Standards Authority, listing all complaints dealt with in the previous month, have been greatly jolted up. The front cover of Case Report 65, for example, covering complaints dealt with in July, contains a high-speed editorial describing the success of the ASA's own advertising campaign, launched earlier this year.

One of its main objectives was to improve the public's awareness of its right to complain about any advertisement believed to contravene the British Code of Advertising Practice.

The campaign has cost the ASA approximately £250,000, in addition to which the media donated more than £250,000 worth of free space. It has certainly worked. Over the first six months of the year—and the first five of the campaign—the number of complaints received from the public rose by 70 per cent against the same period last year.

The complaints are also of better "quality," in that the number that merit investigation is higher. In July, for example, the ASA received 562 complaints, against 263 in July last year. In July 1979, the proportion pursued was 25 per cent—

in July, 1980, virtually a third. Clearly, says the ASA, the public is better informed and thus making fewer complaints that do not merit pursuance.

"The message, through the media, is reaching the public who, therefore, is responding," it says unflinchingly, adding breathlessly that we mustn't "run away with the idea that the Authority wants more complaints per se. The less cause there is for complaint the better the advertising industry is observing the terms of the Code."

According to the July report, some of the more notable complaints dealt with that month involved those made against postal photo processing companies, against three makers of nuclear fallout shelters, and advertisers "making unacceptable claims about depilatories and bust developers."

Something for everyone

● The film Annie is not even scheduled for U.S. release until June 1982, and nor has the role of the little orphan heroine been cast, but the merchandising effort that will eventually be translated into millions of Annie toys, dresses and lunch pails is already running in an exorbitant gear.

Licensing tie-ins of this sort are normally organised about a year in advance. The long lead-time for Annie arises because of the sheer weight of products that will eventually bear her name. There will be toy dogs and dog leads named after her favourite pet Sandy, "Leapin' Lizards" gym shoes, and probably a brand of skates.

Lester J. Borden, the man at Columbia Pictures who is handling the operation, says no one says No to Annie. "The film has everything—rich men, little girls, dogs. It's an all-family movie with a world-wide message."

Oh dear.

What to do when the lights go out

AS THE RECESSION deepens, more and more companies will be seen donning firemen's gear, and abandoning any pretence of proper tactical planning, let alone analysis of the wider competitive environment in which their products are battling.

Yet as Tom Cannon, lecturer in marketing at Durham University Business School, writes at the end of a recently published book (Basic Marketing: Principles and Practice), recession is a recurrent feature of economic life, and study of the major recessions of the

past 100 years provides valuable insight into the actions generally adopted by companies to cope with reduced opportunity, or even threats to their survival.

"According to Prof. Cannon: 'Although belt tightening is a natural, perhaps inevitable, result of economic contraction, it is not necessarily the optimum policy for a firm to adopt.'"

He says there is plenty of evidence to suggest that companies have a great deal more control over their destinies in a recession than threats and warnings might suggest.

The principle holds good, for according to Prof. Cannon, "the key decisions and steps taken during a cut-back are likely to be about the direction in which a firm is going, and its strategies and plans."

There is what he calls the "opportunity of restraint"—an interlude, when times are hard, for companies to re-examine the direction they wish to take, and their objectives and target markets, for it is a truism that more precise definition in areas like these will produce benefits that can be reaped when the going improves.

Company or product position—

ing during a recession, he says, will provide the basis for subsequent growth—although it calls for qualities of adaptation and flexibility that not all will possess.

"Many firms show a remarkable reluctance to rethink their efforts," he says, although there are a variety of steps they can and should be taking in the context of recession.

First, there should be a very real questioning of the need to reduce marketing expenditure. Although belt-tightening is inevitable, it is generally held to be the case that in a difficult

environment, it is the brave manufacturer who makes exaggerated budget cuts, not the one who seeks to buoy them up, however hard the pips squeak.

Second, firms should thoroughly review their markets and products to determine the quality of the match. Third, they should be exploring growing or developing markets, both at home and overseas, as well as new technologies and changing social factors.

Basic Marketing: Principles and Practice. Tom Cannon. Holt Rinehart and Winston, 1980.

What keeps Nestlé sweet, Thorn electric and 3M taped?

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Victoria Wine is Britain's only national drinks retailer with over 900 shops nationwide and the versatility of our scheme makes it

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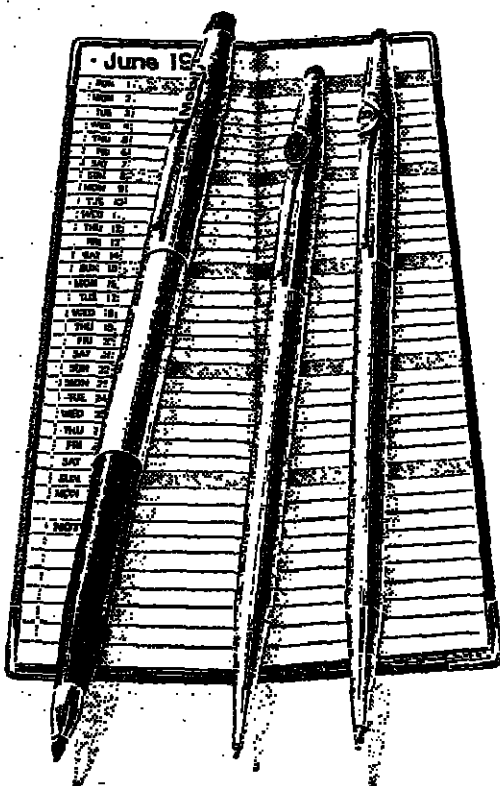
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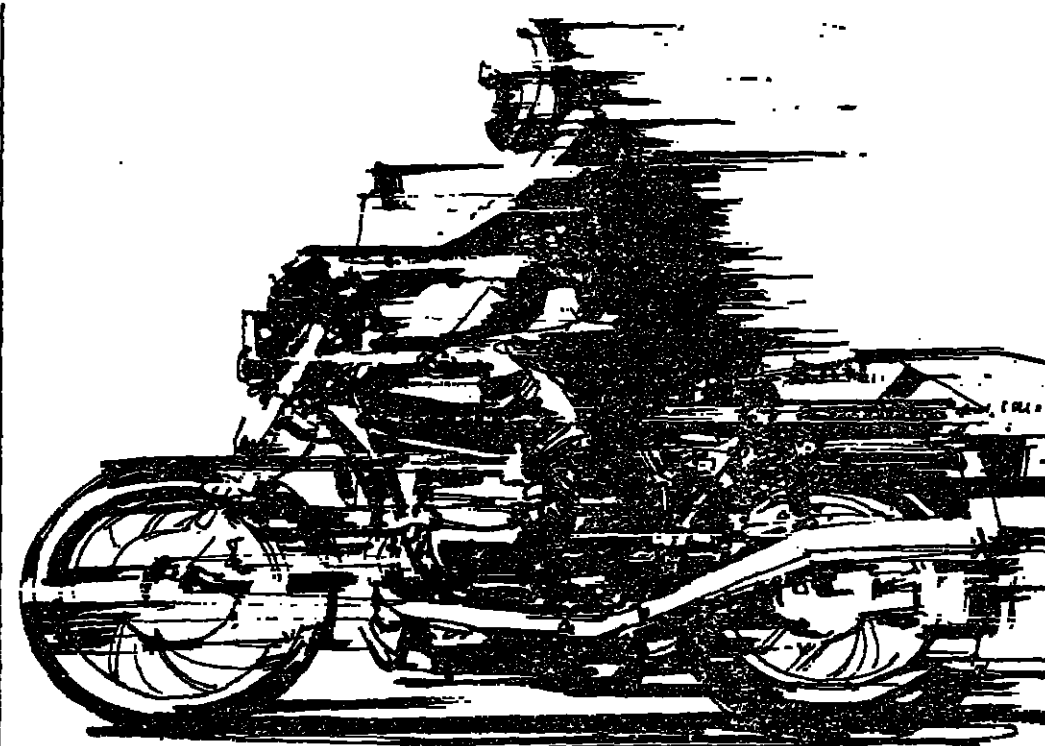
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SOUTHERN TELEVISION

For further information contact Brian Henry, Marketing and Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

16 LOMBARD

Economics of cathedrals

BY GARETH GRIFFITHS

READERS of Anthony Trollope know with what feelings of apprehension the inhabitants of the cathedral close at Barchester regard the press and public opinion beyond the town. A similar sensitivity now appears to have emerged among contemporary cathedral chapters over the public argument on whether to charge for admission for cathedrals.

Only two, Salisbury and Lincoln, have introduced admission charges so far—they are on a voluntary basis but they require a great deal of fuss to avoid paying. Economic pressures are forcing all the cathedrals to step up their money making activities.

Too heavy

Those who are broadly in favour of charging argue that the costs of running a cathedral are simply too heavy for the Church to bear, particularly as tourists cause damage to the fabric and lead to extra running costs. Those against argue that money making detracts from the purpose of a cathedral as a building designed for the glory of God. The majority of the 20m visitors a year to English cathedrals are in search of something other than tourist trappings, they suggest.

In a Lords debate earlier this year, the Government made clear its view that tourism would resolve the financial difficulties of cathedrals.

Most cathedral chapters strongly oppose State funding and want to manage their finances themselves. The argument is that government grants would interfere with the traditional freedoms of chapters and turn the buildings into ecclesiastical museums.

However, both the Government and the cathedral clergy have their arguments on some what doubtful grounds. State funding for churches of historic interest already takes place through the Historic Buildings Council. Last year the Council made 47 grants totalling £3m for renovation and repair work. The Department of Environment also provides the Redundant Churches Fund, with £167,000 a year. There is no objection in principle from the Government to church aid, simply a reluctance to extend it to the cathedrals.

In a similar way the attitude

of the cathedral clergy appears to be different from that of their parochial colleagues. Historical Buildings Council grants have in the past been used to fund the parish churches. What is needed perhaps is a body to administer the grants for cathedrals in a way that would alleviate their fears and impinge as little as possible on day-to-day administration.

Such a body is already present, albeit in an embryonic form. The Cathedrals Advisory Committee is a group of distinguished architects, historians and clergy which advises chapters on their plans for cathedral alterations. Its role at present is purely advisory and divorced from matters of finance. The committee does offer the possibility of bringing together the right combination of people, qualified to handle state funds for cathedral maintenance and capital running costs.

Where is the money to come from? Equity would demand that the Government redeem the scandalous behaviour of preceding administrations over the National Land Fund, set up with £50m in 1947. To a limited extent this has been done with the establishment of the £15.5m National Heritage Fund in April. However the current real value of the National Land Fund, grabbed by the Treasury in 1957, has been estimated at between £250m and £400m.

That money was meant for the nation's heritage, of which cathedrals are an integral part. Cathedrals provide a major tourist attraction, generate employment in their towns and consequently increase both direct and indirect government revenue. A grant on about the same scale as the National Heritage Fund would be the simplest way of providing finance, rather than a complicated levy system on the tourist industry.

It is mainly government action that has led to the cathedrals' financial straits. Each year Value Added Tax on church building repair costs to £9m and legislation approved in 1940 drastically cut down the number of cathedral endowments. Mid-Victorian chapters were faced with continual financial crises, as readers of Anthony Trollope will know: unfortunately these crises have continued over the years.

"SOME SOLICITORS do very good work without a Brussels office," commented a barrister. "Others are not so good with one." But Brussels-based lawyers are convinced of the value of an office there.

EEC law is developing so fast, and the Commission is so aware of the politics of the Community that barristers and solicitors who specialise in EEC law need up-to-date contact with the Commission's thinking. "Giving the best advice to clients on how to present a problem to the Commission depends on knowing its current attitudes, especially in the fields of competition and agriculture," said a practitioner, "and attitudes are fluid."

Contact

It is more important than in England to keep a finger on the political pulse. Barristers maintain contact with the European Parliament as well as the Commission, often sitting in on its legal committee. One chambers has a member of the European Parliament as a consultant.

Solicitors agree with the value of daily contact with the Commission and of knowing every body "pointing out that in the small world of Community specialists there is opportunity for daily discussion and

exchange of ideas. A Brussels office also provides a place to meet clients ("better than a hotel room") and a staff who can speak to them in their own language.

The London connection remains strong. Most of the work still originates there, and there is daily communication with London where most of the paperwork is done, even if the sophisticated technology of the U.S. firms, Coudert Brothers, in Brussels since 1964, can transmit documents by Rapifax at a page a minute from any of its 10 offices throughout the world.

Solicitors' offices vary in their history and present structure. Simmons and Simmons opened in 1962, the only British firm to "stick it out" through the "Nixon" years (Slaughter and May closed its Brussels office at this period and sees no need to reopen it). Simmons still deals with rather more generally commercial matters specifically EEC work. It is taking on another partner and more office accommodation.

Another firm, which opened in Brussels just before the property boom, set up an EEC unit in 1978. At present it has a full-time resident partner and an assistant, with the services of a Belgian lawyer, who also works full-time in the general office. To meet the increasing EEC work, the firm hopes to

enlarge the unit, including another fully-qualified Continental lawyer.

Most firms make use of the EEC law offered by the Commission. A successful Brussels establishment depends on having the right people, both in experience and temperament.

The English Bar's initial resistance to foreign establishments has relaxed in relation to Anglo-Saxon lawyers. Some U.S. firms with London practices, such as Cleary, Gottlieb and Coudert Brothers, have Brussels offices. Baker & Mackenzie has a correspondent Belgian firm, though others, like Ladas & Parry, which specialises in intellectual property, find it can do the work as well from London.

In contrast to this acceptance of British and American firms, there is some fraternal strife between Belgians and Dutch because they speak Flemish, call themselves "advocaat" and are suspected of poaching on the domestic market. Four

major Dutch firms are represented in Brussels: Stribbe, Blaisse of Amsterdam, Nauta van Haerle and Star-Bussmann of Utrecht, De Brauw & Helbrach. They complain of discrimination. "The Americans are entitled to permanent establishments here, but we are not. The Belgians will not let us draw up deeds; they retain their conveyancing monopoly."

There has recently been a "punch-up" with the Belgian Bar directing its members to boycott the offices of the Dutch firms. The English steer clear of these family squabbles, report good working relations with Belgian lawyers, and brief them to represent clients on local issues.

The English profession is used increasingly by Continental law firms and the house lawyers of foreign companies. English is traditionally the language of commerce, commercial concepts are highly developed in Britain and UK lawyers have the resources of the City of London behind them. Its supporters also claim that the divided profession enables them to offer greater specialist expertise.

The process is two-way. Solicitors will brief the best advocate available, regardless of nationality. There are signs of a "Community Law Bar" developing, whether or not there is a corresponding erosion of the British divided profession. No solicitor has yet used

his right of audience at the European Court, though some approve the idea.

Barristers on the other hand, find their advisory role increasing. They deny any competition with solicitors, saying that they pass as much work on to them as vice versa. They say that the British barrister, the highly specialised "lawyer's lawyer," has a valuable contribution to make.

Relations are good between English lawyers and the Commission. Its lawyers, said a practitioner "are good, very objective. They can stop things if they disapprove." Mr. Ehlermann, Director-General of the Legal Service, is described as a man of the highest calibre, and is praised for his receptivity to new ideas. He values the British contribution and tries to encourage the profession's participation.

Unfortunately his English team, with notable exceptions, is weak in numbers and quality. There are only six of the quota of 12. There will be nine by the end of the year, but I was told there is a dearth of good candidates and some departmental resistance to taking on new senior staff. But there is an undoubted need for good English practitioners in the Commission.

Contribution

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TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 12.45 pm News. 1.00 Pebble Mill At One. 2.45 Mister Men. 3.55 Regional News for England (except London). 3.55 Play School (As BBC 2 11.00 am). 4.20 Hong Kong Phooey. 4.40 The Red Hand Gang. 5.05 John Craven's Newsworld. 5.10 Blue Peter. 5.40 News. 5.55 Nationwide (London and South East only). 6.20 Nationwide. 6.55 Tomorrow's World.

7.20 Top of the Pops. 7.55 Blankety Blank. 8.30 Yes Minister. 9.00 News. 9.25 Macmillan. 10.20 The Greeks. 11.10 All About Books. 11.45 Weather/Regional News. All Regions as BBC 1 except as follows:

BBC Cymru/Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Reddih. 11.45 News and Weather for Wales. 12.45-1.15 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.45 News and Weather for Scotland. Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 News and Weather for Northern Ireland. England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

west (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University. 9.00 Liberal Party Assembly from Blackpool. 11.00 Play School (As BBC 1 at 3.55 pm). 11.25-12.30 pm and at 2.00 Liberal Party Assembly. 4.50 Open University. 6.55 Open Door. 7.25 Mid-Evening News including sub-titles. 7.35 The Life and Death of Colonel Blimp, starring Anton Walbrook, Deborah Kerr and Roger Livesey. 10.15 Leap in the Dark. 10.45 Newsworld.

10.30 The Brian Condon Interviews. 10.40 Boy with the Transistor Radio. 11.30 The Prime of Miss Jean Brodie. 12.30 Am The Living Word.

ATV

9.35 am Gardening Today. 10.00 Stars on Ice. 10.25 The Butlin's Grand Masters Derby Championship 1980. 10.35 The Butlin's Grand Masters Derby Championship 1980. 10.45 The Butlin's Grand Masters Derby Championship 1980. 10.55 The Butlin's Grand Masters Derby Championship 1980. 11.05 The Butlin's Grand Masters Derby Championship 1980. 11.15 The Butlin's Grand Masters Derby Championship 1980. 11.25 The Butlin's Grand Masters Derby Championship 1980. 11.35 The Butlin's Grand Masters Derby Championship 1980. 11.45 The Butlin's Grand Masters Derby Championship 1980. 11.55 The Butlin's Grand Masters Derby Championship 1980. 12.05 The Butlin's Grand Masters Derby Championship 1980. 12.15 The Butlin's Grand Masters Derby Championship 1980. 12.25 The Butlin's Grand Masters Derby Championship 1980. 12.35 The Butlin's Grand Masters Derby Championship 1980. 12.45 The Butlin's Grand Masters Derby Championship 1980. 12.55 The Butlin's Grand Masters Derby Championship 1980. 1.05 The Butlin's Grand 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THE ARTS

Record review

St. Matthew Passion

Bach: St. Matthew Passion. Peter Schreier, Dietrich Fischer-Dieskau, Edith Mathis, Janet Baker, Matti Salminen, Regensburg Cathedral Choir, Munich Bach Choir and Orchestra/Karl Richter. DGG Archiv 2712 005 (4 records).

Bach: The Musical Offering. Musica Antiqua Cologne. DGG Archiv 2653422.

Bach: The Musical Offering. The Academy of St. Martin-in-the-Fields / Neville Martin. Philips 9500585.

Twenty years have passed since Karl Richter's first recording of the St. Matthew Passion. During that time our notions of Bach scholarship and of Bach performing practice have both changed radically, and it would be surprising if Richter had not reflected the changes to some extent. He has indeed adapted his style to match the new emphasis on contrapuntal line and sharpness of articulation which the original-instrument accounts of Bach choral music by Harmoncourt and Leonhardt have suggested. So among the welcome features of this new St. Matthew are crisper strings, sharper rhythms generally, and a more idiomatic approach to ornamentation. (It is a shock to go back to the first version and hear the soloists omit the clearly-written appo-

with something firmer and purer and I am not sure how much of this, in the context of Richter's reading, is gain. I would not want to lose for ever the glorious sounds of Ernst Haefliger and Hertha Töpper, though Peter Schreier and Janet Baker are undoubtedly more to our present taste. Edith Mathis is a radiant soprano, a strong gain over Irmgard Seefried, and Matti Salminen is a fine discovery for the bass arias. Dietrich Fischer-Dieskau, who did those arias 20 years ago, now contributes a Christ that is a model of light, unsentimental declamation.

Publicity for the new recording (though not the booklet, which carries only a curious essay by Joachim Kaiser about Goethe, Brecht, Hemingway, Hegel and others) claims that Richter has "discovered" that the keyboard continuo part should be played on the harpsichord. The fact that Bach exceptionally indicated the harpsichord for a Passion performance makes clear that his normal choice was the organ; but in fact I prefer the tasteful harpsichord playing here to the screechy organ which blared through Richter's old recording. Real musical advances are not represented: Richter still uses Schneider's old edition of the score rather than Alfred Dürr's revision for the Neue Bach Ausgabe.



Janet Baker

glatturs in "So ist mein Jesus," even though the orchestra have just played them.)

The Munich Bach Choir, recorded very closely in the new version, makes a razor-sharp impact in the sequence of crucifixion choruses, though it reveals some weak patches of tone at the top of soprano and tenor ranges, and in the altos. The orchestra also sounds rather dry; the distinguished obbligato work in the wind sections is admirable, but the string tone is edgy. Stereo separation, however, is used to great effect in the new recording; the double choruses are vivid and powerful. But what I missed was the sense of atmosphere and bold, romantic flow in Richter's old account. Twenty years ago the great opening chorus surged and billowed; the chorale fantasy "O Mensch, bewein" was expressive and deeply moving. Now, with the emphasis on clarity, the effect is inflexible and even dull: both those choruses are taken slower in the new version, removing much of their sense of direction. The soloists on the new set also replace the wayward emotionalism of the old reading

NICHOLAS KENYON

Jeannetta Cochrane

The Winter's Tale by B. A. YOUNG

The National Youth Theatre have found themselves a Leontes (Jamie Ripman) with a fine voice and the ability to use it clearly; an attractive Hermione (Anne Miles) who in the last act is able to hold her pose with a still grace for what seems an eternity; a pleasant young couple in Mark Payton's Florizel, a Prince with natural good manners; and Gerrie Alexander's Perdita, who soon learns to correct her peasant's accent when she realises that she is a queen's daughter. Their Autolycus (Andrew Gallacher) displays his comedian's tricks as if he had been in the profession all his life. At the start of the evening and at the end, their virtues are nicely shown by director Bob Tomson in a handsome and restrained production that looks very pleasant on John Hall's simple rectangular set. From the entry of the bear until the departure from Bohemia, Mr. Tomson has set himself to split the ears of the groundlings in a reprehensible display of excess.

The costumes as at Stratford, Ontario, last year, are Edwardian. All the young people don't wear their frock coats with equal ease, and I can't help thinking that Cleomenes and Dion would have had some tweeds for their journey to Delphi; but it's a period that fits the play all right. Hermione needn't make quite such a business of touching up Polixenes (Paul Blackman, who is also the bear); it makes Leontes' jealousy natural and even justifiable. Paulina



Gerrie Alexander and Mark Payton

Leonard Burt

(Katy Beahan), a tough blonde, also lets her emotions overflow sometimes; I hardly think she should be kissing Leontes when she's about to restore his wife to him, or, earlier, have cradled his head in her lap and stroked his hair when he was overcome by Hermione's alleged death. The scenes at court, all the same, are done with dignity.

At the sheep-sheepers' ball in Bohemia, anything goes. We've been prepared by a funny bear that taps Antigonus (Matthew

Townsend) on the shoulder to indicate that it intends to eat him, and a Time (Peter Clark) who takes off his clock, begins to lay out the preparations for the feast and then becomes Archidamus. But the real trouble starts with Autolycus. There's no doubt that Mr. Gallacher is a very talented comic, but he shouldn't be allowed to steal other people's scenes every time he comes on to the stage. It is an outrageous display of bad theatre manners. He even dis-

tracts our attention from Perdita's speech about the daffodils that come before the swallow dares, and consequently she doesn't speak it very well, when it is the absolute hub of her part.

But the fault doesn't lie with Mr. Gallacher; it lies with the director. He has shown us elsewhere what he can do. He must now dismiss from his mind the young audience's cheers and get the feast, folk-dance and all, as good as the rest of the evening.

Wigmore Hall

Schwarzkopf Master Classes

by ELIZABETH FORBES

Elisabeth Schwarzkopf, after a career both in the opera house and on the concert platform spanning well over three decades, has many obvious qualifications as instructor and exemplar of style and interpretation. To mention only one: the unrivalled ability to fuse text and music into an inseparable whole, that made her own Liedersinging so rewarding. Even the one defect that admirers' reluctantly admitted could mar the perfection of her performances, namely an inability (or refusal) to conceal the art that caused the fusion of words and notes with a cloak of apparent spontaneity, becomes an advantage in the demonstration of how exactly the miracle is wrought.

On Tuesday evening, during the first of a series of four Master Classes at the Wigmore Hall (the others are tonight, tomorrow and next Tuesday), four young professional singers were each taken through a song or aria by Elisabeth Schwarzkopf. In the bathroom acoustic of the hall, so generous to the spoken word, many of her pearls of wisdom were lost, even with a microphone, to anyone seated in the back rows. Some theoretical excellent advice, such as the warning not to overstress the harsher German consonants, misfired: faulty but audible diction is surely preferable to correct but totally (to the audience) unintelligible pronunciation.

Wembley Arena

Kiss

by ANTONY THORNCROFT

Heavy metal music might be for the mindless but there is no reason why it should also aim at the slightest. Kiss, the New York band which, no doubt shrewdly, never allows itself to be seen without its stage make-up, is as anti-music as any of its heavy competitors with its deadening, unimaginative playing but it is just about worth a trip out to Wembley for its eye appeal.

The first glimpse of the quartet — only achieved by balancing precariously on the arms of a chair for the Kiss crowd does not stand on ceremony when surging to get a sight of its heroes — is quite daunting. They look like something from the darker side of Tolkien, orcs would do, crossed with a gay samurai, and it takes a few songs before you really take in the sea-through tights, the patches of chest hair, the odd blend of the macho and the pretty-pretty. By then you realise that the music is dull and deafening, and worse, badly played, apart from a gutsy drummer. The decent songs, "Doctor Love" and "I was made for loving you" get the same mechanical processing. But the audience loved it and if you could switch off the ears a Kiss concert suddenly seemed quite intriguing.

For a start the audience played its part to the full, little knots of men—Kiss is for the boys—slipping into head shaking, body humping routines which were of Tiller Girl precision. There was plenty of leather and bravado and a rather attractive determination to respond to the Kiss appeal to set the arena alight with sweat and noise and rock and roll.

Kiss played their part with a well-rehearsed routine which involved the bass player, Gene Simmons, swallowing fire, a change from his irritating manner of leering out his tongue like a lizard, fireworks exploding in the background, a gigantic Kiss sign flashing its message to the world, a guitar set alight and a display of theatrical blood, also dribbled by Simmons, which together with its heavy use in Macbeth at the Old Vic, must be bleeding London dry.

LPO appointments

Stephen Crabtree has been appointed managing director of the London Philharmonic Orchestra. He succeeds Eric Bravington who retired at the end of the 1978/80 season. Nicholas Busch, vice-chairman of the orchestra since December 1976, has been elected chairman.

Albert Hall/Radio 3

Carter and Ives

by PAUL DRIVER

There is little point in searching for false analogies to describe Tuesday's Promenade concert juxtaposition of a first half devoted to Bach (played by the Christopher Hogwood's Academy of Ancient Music) and a second to 20th-century American orchestral classics (the BBCSO under Sir Charles Mackerras). A most satisfying, if demanding, evening's music-making resulted; and the time has perhaps arrived when programmes may be allowed to be unusual without need of symmetry and significance.

Two Brandenburgs (3 and 4), enclosing the D minor concerto for two violins, from the Academy—which endeavours to produce an authentic, near vibrato-less baroque "tone-quality"—provided a striking contrast with similar Bach evenings recently given on the South Bank by the English Chamber Orchestra and Pinchas Zukerman. Those were Bach banquets indeed, the most exceptionally well-fleshed. On Tuesday, we reduced to the bare bones. Mr. Hogwood's small, standing band looked, and on first impact, sounded, hopelessly beleaguered in the vast acoustic space. And one sometimes felt, too, that the instrumentalists' penetration of the music was further hindered by the abiding necessity not just to play the notes, but to make them sound like something easily becoming a picturesque thing. Nevertheless, their cultivated leanness of sonority grew fetching; we had a Brandenburg 3 of the acutest delineation and a slow movement of the Double Concerto in which Mr. Hog-

wood's celeste-like organ continuo contributed no less than soloists Catharine Mackintosh and Simon Standage to an unfolding of ecstatic delicacy. The coupling of items after the interval was, obviously, significant. But one couldn't decide which way round the items should have been put. If we had begun with Ives's Three Places in New England and gone on to Elliott Carter's Piano concerto (1964), one version of an American tradition would have stood out. All the pictorialism of Ives — his realisation of landscapes, historical scenes, day-dreams in a collage of quotations — has been sublimated by Carter into a refinement of the musical techniques — complexly layered textures, polyrhythmic contrivances — that made it possible. Through Charles Rosen's meticulous exegesis of the piano part, and Charles Mackerras's energetic raising-up of the deluging orchestral opposition, the grand gesture of Carter's Piano Concerto, in which the soloist's still small voice is all but suffied by the densest of tuttis, seemed a compelling justification of the composer's purism.

But a certain greyness of texture in the music made one wonder if more than just innocence was lost when Carter reacted forcibly against his mentor's eclecticism. Coming as it did after the Carter, Three Places (whose first movement's use of strings and splashes of piano did suggest an interesting overspill from the concerto) was a plea for colour and variety as well as an aptly festive end for a Prom.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100); retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Vac.
1979	110.4	102.5	98	100.4	123.6	1,351	234
1st qtr.	111.6	107.0	101	106.0	144.5	1,289	256
2nd qtr.	112.6	105.1	99	99.8	142.8	1,269	247
3rd qtr.	112.5	102.3	106	101.0	151.0	1,286	230
4th qtr.							
1980	110.3	101.7	98	100.4	158.7	1,379	193
1st qtr.	107.4	99.1	97	102.5	160.0	1,492	160
2nd qtr.	110.3	101.1	97	103.1	157.5	1,383	181
3rd qtr.	108.9	98.5	100	102.8	158.4	1,384	181
4th qtr.	107.2	98.4	93	101.3	158.7	1,458	189
May	106.9	97.0	95	99.7	158.9	1,494	163
June	106.2	98.2	99	100.7	161.1	1,535	147
July				99.0	159.6	1,606	126
Aug.						1,596	120

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Investment goods	Intermediate goods	Eng. output	Metal mfg.	Textile mfg.	Housing starts
1979	105.9	99.1	127.0	98.7	98.4	100.0	12.9
1st qtr.	108.8	102.7	133.1	102.6	110.0	103.4	21.3
2nd qtr.	105.9	95.9	132.3	94.7	103.8	100.6	21.0
3rd qtr.	105.0	101.0	129.5	98.9	102.6	96.0	18.1
4th qtr.							
1980	106.2	101.7	134.0	99.3	98.3	91.9	12.3
1st qtr.	106.2	96.6	132.0	94.0	98.9	96.7	12.2
2nd qtr.	106.0	104.0	123.0	101.0	95.0	92.0	11.4
3rd qtr.	103.0	99.0	124.0	95.0	94.0	89.0	12.2
4th qtr.	102.0	98.0	121.0	95.0	92.0	88.0	15.0
May	100.0	96.0	123.0	93.0	94.0	85.0	17.0
June	102.0	98.0	125.0	94.0	97.0	87.0	16.6
July							13.4

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (€m); oil balance (€m); terms of trade (1975=100); exchange reserves.

	Export	Import	Visible balance	Current balance	Oil balance	Terms of trade	Resv. US\$bn
1979	109.9	116.9	-1,583	-1,215	-235	107.0	16.78
1st qtr.	135.3	128.9	-486	-357	-229	160.4	21.69
2nd qtr.	123.8	128.1	-493	-83	-158	106.8	23.18
3rd qtr.	129.3	128.9	-745	-711	-157	103.7	22.84
4th qtr.							
1980	131.3	126.5	-723	-417	-196	100.7	24.87
1st qtr.	129.2	124.8	-299	-149	-45	102.4	23.92
2nd qtr.	135.5	128.9	-232	-130	-45	106.8	23.83
3rd qtr.	127.7	122.7	-176	-74	-5	106.6	26.96
4th qtr.	127.2	127.6	-264	-214	-44	101.8	28.01
May	130.2	121.4	-18	-32	-10	102.0	28.28
June	130.3	123.3	-17	-33	-15	103.4	28.17
July	128.8	118.5	+261	+311	+102	103.8	28.27
Aug.							28.29

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (the money market growth rate); domestic credit expansion (€m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1	M3	Advances	DCE	BS inflow	HP lending	MLR
1979	%	%	%	%	%	%	%
1st qtr.	7.2	8.4	22.6	+1,296	777	1,581	13
2nd qtr.	5.3	15.6	28.5	+3,638	777	1,887	14
3rd qtr.	12.0	11.2	13.2	+3,542	933	1,879	14
4th qtr.	14.4	15.6	22.6	+2,977	839	1,954	14
1980	-4.0	7.2	21.9	+1,723	634	1,974	17
1st qtr.	-1.5	10.7	23.3	+1,186	697	1,972	17
2nd qtr.	-6.9	8.1	22.8	+737	235	688	17
3rd qtr.	-6.7	7.1	20.7	+271	195	665	17
4th qtr.	-2.3	7.5	35.4	+411	300	641	17
May	-4.0	4.8	18.8	+695	266	675	17
June	-4.0	12.6	21.9	+1,144	225	621	17
July	-4.9	+21.4	28.3	+1,352	206	675	17
Aug.	11.2	42.0	51.4	+3,502	240	672	16

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1962=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings	Basic mfgs.	Wholesale	RPI*	Foodstuffs	FT* comdty.	Strg.
1979	%	%	%	%	%	%	%
1st qtr.	144.2	153.4	161.6	268.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	295.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	298.13	68.8
1980	157.7	197.2	191.4	248.8	247.5	284.47	72.4
1st qtr.	178.9	201.3	199.0	262.2	255.9	267.45	73.8
2nd qtr.	175.3	197.6	191.5	248.5	248.7	304.27	72.6
3rd qtr.	172.8	200.4	194.3	332.2	231.1	284.47	72.6
4th qtr.	170.2	197.0	195.0	254.7	254.7	278.67	72.6
May	178.1	200.4	199.0	263.2	254.7	268.23	74.4
June	183.6	201.1	201.9	265.7	257.9	267.49	74.4
July	201.8	202.8	202.9	259.9	259.9	172.57	74.7
Aug.	201.2	203.7				273.38	76.2

* Not seasonally adjusted.

Nashville

Country music awaits the call by FRANK LIPSUS

The music business is getting used to stories about company executives who, under the influence of their own stars, become a little too involved with drugs, women and the other paraphernalia of the trade. In the past, such stories were restricted to late-evening conversation and became public only in discreet announcements of resignations "for personal reasons."

Now, however, the industry as a whole is suffering withdrawal from a massive "high" that only in retrospect appears to have been addictive and bad for everyone's health. The "high" was success which allowed executives to presume every release would go platinum. Every release was then shipped platinum and, for the unlucky ones, returned gold. Because the music business resisted the general business downturn in America over the course of the year, big companies put more money into their music operations. Middle-sized companies that had at one time supported an independent distribution network were swallowed up by larger companies, thus seriously hurting the independent distributors and threatening the demise of all but the majors. The record business looked like it would return to the days when there were only the major companies and a handful of major stars.

The record business did finally have its downturn, major companies suffered symptoms of withdrawal, and so now they are hankering after their next "fix." The last one was disco, which got off to a rollicking start with the Bee Gees and Saturday Night Fever. It has

been steadily losing adherents since then and companies with major investment in disco have been doing their best to salvage operations with a name change to "dance" music in the hopes something will come along that is danceable.

Meanwhile, the next major sound is supposed to be country music. After all, it has been waiting patiently in the wings, steadily plying its wares to the local southern market it has always had. It has produced a few superstars of its own, like Dolly Parton, Kenny Rogers and Crystal Gayle. It has been the source of at least one recent film success, Coal Miner's Daughter; the film biography of country-music star Loretta Lynn (who is also Crystal Gayle's older sister). And country music is the source of at least two or three popular television award shows a year, bringing national attention to the regional sounds of country stars like Larry Gatlin, Moe Bandy and Joe Stampley.

If disco rose on the coat tails of only one film and one group, then surely country music has more than it takes to become the superstar sound predicted by major publications like the New York Times and the Wall Street Journal. The Journal in particular carried a front-page article noting a number of new films featuring country music to show that it was a sure bet to dominate the record business. But the films bombed, including Urban Cowboy, which took the same formula as Saturday Night Fever; from basing the film on a magazine article to using John Travolta as the star, and put it in Texas to exploit country music. Bronco Billy seemed a



Willie Nelson

sure winner because it stars Clint Eastwood. He never fails, but this time he has and with him go the country-music songs he added to the score. Another film was pulled back from release so Willie Nelson could write new songs for it in anticipation of this hunger for country music which has just not occurred.

It is time to note that all the hype about country music did not originate in Nashville, the

home of country. It plies its wares as it always has, content to reach the regional market that supports it. A few stars have gone Hollywood. Nashville used to resent that, but even if it no longer does, neither does it have the ambition to see everyone go Hollywood or have Hollywood go Nashville.

Nashville did not even get excited about the hype. It has seen executives come and go with their promises of what was in store for the country sound. It has had stars coming in to record there for years, and their careers are not usually changed dramatically by the experience.

Billy Sherrill, one of country music's most successful producers, professes some boredom at the prospect of the years ahead that will look like the years behind, producing hits that reach the top of the country charts in a predictable fashion with predictable income. He recently started his own label and gets some renewed enjoyment in finding new artists for it. One of his recent finds, Lacy J. Dalton, is already a star after her second release. Since Sherrill writes many of the hits his singers record, he has reduced the business to a formula which he can succinctly describe: the songs have to be one-on-one stories with some surprise in the lyric. The formula is such that the singers themselves start writing their own songs to fill their albums, once they have become established with the songs of Sherrill's.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

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Thursday September 11 1980

Now for the real battle

WHILE THE Prime Minister has now acknowledged past slippage and reaffirmed the Government's commitment to its monetary policies, as might be expected, it is to be hoped that the present difficulties will not draw too much attention to a single statistic. A firm monetary policy, however that may turn out to be defined, is a necessary but not a sufficient condition for changing the course of the British economy. Under the right circumstances, it can restore realism. Under the wrong ones, it can only confer on its authors the posthumous heroism of a kamikaze pilot. The background is vital.

The helpful effects were illustrated yesterday when the Engineering Employers' Federation made a pay offer of 6.2 per cent. The response of the unions was predictably negative, but not militant. There is growing evidence that in the parts of industry subject to international competition, experience is indeed proving a persuasive teacher. Given the depth of the slump in profits, with some internationally known companies now declaring losses, this was to be expected.

Distortion

However, the doctrine that enterprises must settle pay according to their means contains a trap. If the pressure is too selective, the result is to distort relative pay. This not only dilutes the impact of the whole policy on inflation, but distorts the labour market in a very damaging fashion. It can be no part of our strategy to ensure that in the future, work in private industry shall be relatively the least rewarding available.

Since the Government directly controls a large proportion of the most sheltered jobs in the economy from this point of view—those in public services and State monopolies—its responsibility for these relative pay is clear. It is for that reason, of course, that the Government has imposed strict cash limits on public bodies. In terms of pure fiscal policy, this may appear an adequate answer; since cash limits control public outlays, it might be thought that this rule would be adequate to ensure that the Government makes its own planned contribution to monetary restraint, rather than

allowing a cost over-run to tighten the squeeze on the private sector through forcing up interest rates and thus the exchange rate.

Borrowing

However, the limitations of this approach are becoming increasingly clear. From the point of view of the PSBR statistic, it makes no difference whether a cash limit is achieved by means of controlling costs, raising prices or selling physical assets; but from the point of view of the private sector, there is all the difference in the world.

Raising prices obviously passes the burden straight back to the private sector in another form—and a good part of it straight back to private industry. Indeed, where the rule results in public industries raising their prices in response to sales depressed by the recession, it imposes exactly the opposite response to that expected from private industry. Other things—namely efficiency—being equal, it is indeed arguable that the depressed revenues of public industry, like the sums spent on unemployment benefit, are a necessary public cost of tight policies. Nor is the sale of assets an effective substitute for good management; it absorbs the same funds that would otherwise be absorbed by borrowing, with the same effect on the private sector via the credit market.

Crucial winter

In short the Government, facing its most crucial winter, should be prepared to call the issue by its proper name. It is a pay issue. In the larger interest, it is no more possible for the public sector to meet excessive pay demands than for a private manufacturer facing a slump in sales and profits. Employees who have enjoyed Clegg awards to enable them to catch up with or (overtake) the past increases in the private sector must now accept the uncomfortable half of the argument, and hold back with the private sector. If battle is joined on this issue and won, then the Government's policies may prove more effective than its authors dare to hope. If it is shirked, no technical devices will conceal the damage to private industry.

Barre sticks to his guns

CONFIDENCE is the hallmark of the Budget published in Paris yesterday: confidence that the Government's economic policies are correct; and confidence that M. Giscard d'Estaing is well placed to retain the presidency in next year's presidential elections. With a budgeted deficit of FF 29.4bn (about £2.9bn), M. Raymond Barre's Government has resisted pressure for a major reflationary boost to the economy. True, it is proposing tax incentives of FF 25bn over five years, but that is a good deal less than the Left and some Gaullists have asked for.

Optimistic

M. Barre has adopted the slogan that "severity works". As part of his long-term programme he has freed profit margins and greatly relaxed exchange controls. In order to keep France competitive in a stable world he aimed at stable real incomes in next year's real economy. But in fact, next year's official forecast of 2.7 per cent looks on the optimistic side. The formula has made M. Barre unpopular. The President feels safe enough not to sacrifice to the electorate a man in whose policies he believes. However, it is worth examining the record. A 2.2 per cent real growth of GDP expected this year is not bad by the standards of the time. The Government's forecast of 1.6 per cent next year looks rather less good.

Difficulties, it appears, will centre on corporate investment. The Government's forecast is for a 4 per cent real increase in industry's investments this year, falling away to 1 per cent in 1981. A lessened inflation rate is forecast, with consumer prices rising 13.5 per cent this year and 10.5 per cent next. This year's rate has been affected by dearer oil. But it would be rash to assume that nothing of the sort will recur.

M. Barre's policy is to counter inflation by keeping the franc strong. Maintaining short-term interest rates above those prevailing in Frankfurt has been an important ingredient. But French freedom is restricted, since the Bundesbank has followed a similar course. Expectations that Frankfurt

would lower rates have so far been belied. The matter is of much importance because the French current account looks none too healthy. A trade deficit of FF 50bn is in prospect for 1980, and the habitual invisible surplus will not make up for it: the current deficit is expected to be of about FF 25bn. Next year the Government expects the volume of exports to grow more quickly than that of imports. But from the point of view of external payments it is the terms of trade that will count.

M. Barre is also saddled with an unemployment rate of over 6 per cent, and with certain structurally weak industries. The steel industry of Lorraine and of northern France is one case in point. In terms of numbers employed the fishing industry is small, but has caused a great deal of trouble of late. Even the motor industry is beginning to run into problems: the share of imported cars in the French market has risen to 24 per cent, and the Japanese, with almost 3 per cent, are approaching the point where the Government will feel uncomfortable.

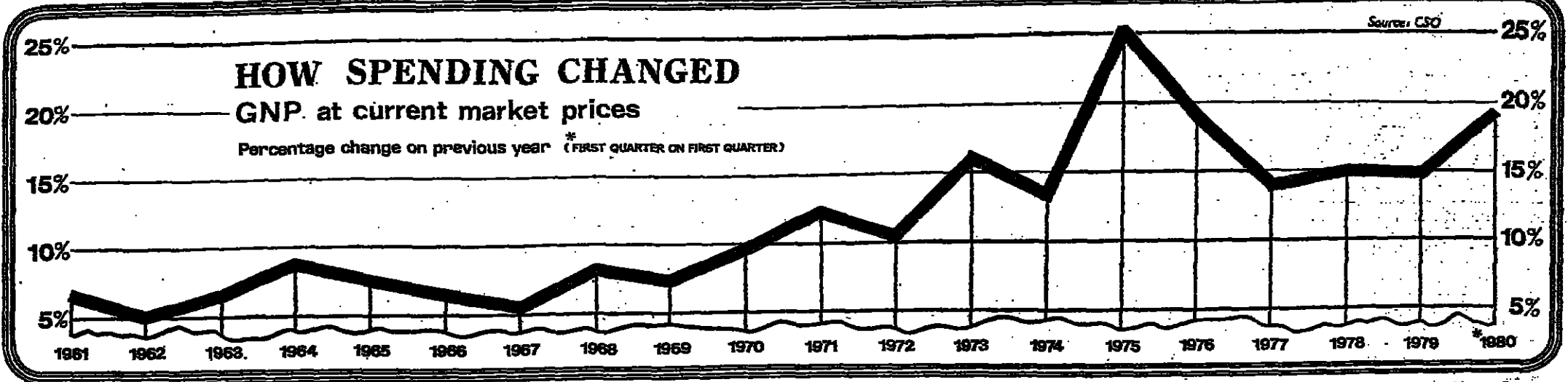
Nevertheless M. Barre has ruled out the option of devaluation. This is how he has put it: "It is not a question of adapting the franc to the needs of business, but one of business adapting its requirements to the needs of the franc."

Export credits

All that said, M. Barre has shown himself to be flexible in practice. A glance at previous French budgets shows this. In 1978 the budgeted deficit was FF 3.5bn; the eventual outcome FF 35bn. In 1979 a budgeted deficit of FF 15bn swelled to FF 37bn. In 1980 the budgeted deficit is likely to be exceeded by FF 9bn. The divergencies are not the result of bad arithmetic but of a series of little reflationary packages.

Only the other day FF 1bn was made available for credits to exporters, and another FF 1bn for the elderly and families with children at school to increase flagging consumption. There is nothing to rule out similar measures in the future.

ECONOMIC VIEWPOINT BY SAMUEL BRITTAN



How to re-launch the strategy

THE slight reduction in the age of grandpas who can buy granny bonds, and the increase in permitted holdings, amount to no more than a minor holding operation. Although trivial in terms of the number of additional savers who are offered inflation protection, the impact effect could well be sufficient to finance the Government's borrowing needs in the remainder of the financial year.

The announcement, plus the impact effect on the gilt-edged market—which sometimes seems as easy to lead by the nose as Rilaire Belloc's proverbial British journalist—could just do the trick. But it does nothing to reduce the worrying slice of that borrowing requirement itself revealed by the latest figures. Nor does it remove the monetary incontinence shown by the July and August banking figures.

Apart from the granny bonds, Tuesday's official statement consists of just that mixture of forecasts, hopes and good intentions which the Conservatives so loved to ridicule in the many

Healey mini-budgets round about 1975 and 1978. It is just possible that the reassuring forecasts will be not too far wrong on public sector borrowing. There are so many erratic quarters to quarter, as well as year to year, fluctuations in these figures that almost anything can happen. But no one pretends that the ground lost on the monetary side can be retrieved by the end of the financial year.

To say that the underlying increase in the money supply in July and August was "only" about 1 or 2 per cent in each of these months, almost deliberately misses the point. The 8 per cent explosion in the monetary figures shown in July and August—with probably more to come in September—reveals monetary excess not in those months themselves, but in the whole two-year period up to June when the corset was distorting the figures. Part of this expansion—at a guess 5 per cent—must be attributed to the period since February when the present monetary targets have been supposedly in force.

If both monetary and fiscal policy have been so lax how can one explain the very sharp squeeze which industry has undoubtedly been experiencing? It is not that difficult. An overrun in both the money supply and public sector borrowing has been offset by the effects of a high exchange rate on business sales and profits. This is fortunate; for otherwise we should have had runaway inflation instead of the reduction in inflation now clearly showing up in the indicators. We cannot rely on such fortunate offsets continuing in future. The money creation of the recent past may not do much harm in slump conditions. But, convenient offsetting fluctuations in velocity tend to be temporary. If the excess money is stored up in the system it is likely to generate inflation later on, as the early 1970s demonstrated. In any case it is not a good idea that a navigator should steer blind equipped only with wildly misleading dials which by chance may produce offsetting errors. If the government wishes to re-establish the credibility of its

monetary strategy, it must aim to eliminate eventually the excess money created since last February.

It will not be feasible to eliminate the whole 5 per cent excess (if that is the figure) within the next 12 months. But it must be worked out of the system over the period up to 1983-84 which is the period covered by the medium term strategy. That is part of the point of having the strategy. In practical terms it means that all the annual monetary targets starting from the one to be rolled forward this October will have to be 1 to 2 per cent less than originally intended.

The alternative policy of wiping out the past and starting afresh for each short term period has been followed by the Federal Reserve in the U.S., where it is known as "base drift." As a result a series of apparently strict short term targets has been undermined because each past excess is written off every time a new short term target is declared. Its effect has been all too clear in the acceleration of American inflation and the weakness of

the dollar. If the Chancellor harkens to the all too many voices arguing for "base drift" in the UK, we can say goodbye to all hopes of a new approach to economic policy and we will be stuck indefinitely in a world of double digit inflation, incomes policies and ineffectual pay ceilings.

The curious aspect of the public discussion of the monetary fiasco is that the innocent reader would not know that there is even such a thing as the Bank of England. Apart from a few discreet references to "the authorities" in City circulars, the impression is given that the corset fiasco is entirely due to the government or to "monetarists."

No one would realise from the public debate that there are at least ten times as many people concerned with monetary policy in the Bank as in the Treasury; or that the Governor regards himself as both chief adviser on and sole operator of that policy.

The corset, which distorted the monetary figures and

gave an illusion of control, was invented by the Bank, and introduced three times under three successive Chancellors. The last two-year period, which ended this June, bridged the Treasury. It was then that lending was diverted outside the banking system only to re-enter it dramatically when the corset was lifted this June.

If the Bank had used its much-vaunted independence to point out relentlessly that it was impossible to control the money supply and hold down interest rates at the same time it would deserve some cheers. Instead it meets politicians more than half-way with schemes for massaging the figures or with money market intervention to prevent interest rates from rising when monetary control requires that they should.

Of course the Chancellor and perhaps the Prime Minister should be criticised as they bear the ultimate responsibility. And one of the things for which they should be censured is accepting the Bank's advice, not always but far too often.

Back to some first principles

MONETARY GROWTH: HOW AND WHY

Rise in GNP at current market prices	Average annual compound increase—per cent			
	Due to rise in money supply*	Due to change in velocity	Reflected in rise in real output†	Reflected in rise in price‡
1963-72	8.5	1.7	2.3	5.6
1972-76	18.5	3.5	2.2	16.0
1976-79	14.5	12.0	1.7	12.6
1979-80 (first qtrs)	19.2	12.9	1.1	17.9

Note: CHANGE IN GNP AT CURRENT MARKET PRICES EQUALS APPROXIMATELY CHANGE IN MONEY SUPPLY PLUS CHANGE IN VELOCITY. IT CAN ALSO BE BROKEN DOWN INTO CHANGE IN REAL GNP PLUS CHANGE IN PRICE LEVEL.

* Sterling M3. † GNP at 1976 prices. ‡ GNP deflator.

which it is sensible to control. The top chart shows how total spending, which was rising by 6 to 8 per cent per year in most of the 1960s, soared in the 1970s to a 25 per cent peak, then settled down at around 14 per cent before jumping again in 1979-80. In the early years about half the increase went into higher output and half into higher prices. But after the acceleration of the 1970s nearly all the increase went straight into prices. The growth of real output actually declined and unemployment rose.

The mistake of many mainstream economists is to suppose that they can control output or monetary measures, when all they can really influence are flows of money spending. The mistake of the narrower kind of monetarist is to concentrate on a stock of assets which happen to be labelled money rather than the total spending flow.

trolled in any very precise quarter to quarter sense, which is why many practical economists dislike talking too much about it. But there is little doubt that its trend is influenced very strongly indeed by monetary and fiscal policy and probably by exchange rate movements too.

One expositional difficulty is that while nearly everyone can nowadays exchange clichés about the money supply, the magnitude which I have called "total spendin'" has several different names, many of which people find offputting. Unfortunately different names are

offputting to different people, so it is very difficult to settle on terminology.

In fact expressions such as "total spending," "monetary demand," "total expenditure," "the national product," or "gross national product at market prices" mean very nearly the same thing. One reason for the proliferation of labels is that under the national accounting system, the circular flow of spending can be measured as expenditure, as production or as incomes generated; but they are all different ways of looking at the same thing.

The main practical reason for publishing money supply targets rather than total spending ones, is that the money supply is supposed to be—don't laugh—easier to control and monitor. National incomes figures appear with long lags and are frequently revised. Moreover the most important single influence on total spending is indeed the money supply, as the table shows.

But at times when the monetary measures are breaking in our hand, or when there are abnormal changes in velocity, it is good to go back to basics: that is the control of total spending. There is also then a greater chance that people outside the gilt edged markets will understand what is being said.

Look for instance at the acceleration of total spending ("GNP at current prices"), to 19 per cent in the year to the first quarter of 1980. It is really a semantic question whether this was due to a 13 per cent increase in the money supply and one of nearly 6 per cent in velocity as the table appears to show, or whether the growth of the money supply was "really" 18 per cent, correcting for "corset" distortions, with

only a normal per cent trend rise in velocity.

None of this is embarrassing or difficult if one keeps one's eye firmly on total spending and remembers that it can be influenced by things other than the stock of money for temporary periods which can run into years.

Not least of the advantages of focusing on total spending is that it takes financial policy out of the hands of the monetary technicians and back to the general economist. It also makes government policymakers less dependent on the somewhat questionable central banker "knowledge of markets and men."

I am certainly not suggesting that we should replace the sterling M3 money supply targets in the medium-term financial strategy by either the nominal national product or anything else. The constant shifting of targets and objectives is part of the British disease. What I am suggesting is that we remember that the monetary targets are but a symbol or proxy for total spending, as measured by the nominal national product. It is on that which we should keep our eye.

MEN AND MATTERS

Cornell coup for Nadir

What price optimism in British industry these days, especially in the threadbare textile sector? One man clearly distancing himself from the merchants of gloom is Asil Nadir, who emerged yesterday as the holder of an option for November expiry on 57 per cent of the shares in a small east London fashion company, Cornell.

Dresses, which lost £53,000 in the first half of this year. With Cornell's shares up sharply to 78p yesterday, Nadir has done well to secure his option at 19p. Cornell's Board is looking distinctly uncomfortable, with directors, their families and trusts having made irrevocable commitments at 19p for their collective majority holding to 38-year-old Nadir, a British citizen from the Turkish-speaking part of Cyprus.

Nadir's Cornell coup through his Jersey-registered Azania Investments follows a successful stalking earlier this year of ailing women's fashion company Polly Peck. But he spends the

bulk of his time on Wearwell, the clothing group which he started in the late 1960s after settling in Britain with an economics degree from Istanbul.

Wearwell which recently won a Queen's Award to Industry for its export efforts, is prospering. Polly Peck is now involved in a £1m packaging venture in Cyprus. So why the interest in Cornell, which Nadir says represents purely an investment? "I do not think the ills of the textile industry will stay around for too long," he says. Nadir is prepared to lend his own efforts to justifying his optimism. Last year, he tells me, he landed £30m order for school uniforms in Libya, beating the opposition by flying out there himself and noting the special needs of the well-rounded local girls.

Sunbeam's loss

Dr. Tony Challis did well to heed the words of his father, an engineer with the old Sunbeam Car Co. With startling prescience, considering that the motor car was then in its golden age, he warned his lad not to join the industry as an engineer. It was increasingly run by accountants and stylists, he grumbled, "and it's going to get worse."

As a result, young Anthony's first steps into adulthood were guided on to a path which has led him to the peak as Chief Scientist at the Department of Energy. A chemist by training, Challis spent 30 years with ICI before being drawn into the backroom of the public sector in 1976 as director of polymer engineering at the Science Research Council.

Firmly based in research and development, he is best known outside the confines of technology for a co-operative, commonsensical approach—one of the characteristics he shares with Sir Hermann Bondi, the man he replaces next month. I hear, for example, that he unabashedly retails a story from his times at ICI when the scientist in him glowed with

pride at the sight of his brand new ethylene crackers and polythene plant coming on stream, and how the manager in him fretted a little at the growing stocks of this magical new material. Fretted, that is, until an anonymous entrepreneur invented the hula hoop, emptied his warehouses, and gave industry the time it needed to find more dignified uses for his product.

Well said

If you think a "jug bustler" is the type of fellow who makes a fuss in public houses on a Friday night; or that an "unconformity trap" is the penalty that one must pay for eccentricity; then you are evidently not acquainted with the picturesque dialect of the oil industry. Heaven only knows what construction one might put upon a "sacrificial anode," were it not for a helpful glossary produced by Phillips Petroleum to justify the ways of wells to man.

The aforementioned anode turns out to be "a ring or slab of metal placed on a key part of an underwater structure in order to protect it from corrosion. The sea water attacks the anode rather than the structure. Even set down in such hard-boiled prose, the little story has its pathos."

A "jug bustler" is "a member of a seismic crew who operates the geophones"—whatever they may be—while the "unconformity trap" occurs where the escape of hydrocarbons, "Zeehstein," so far from being a minor central European state, is a salt-containing formation.

Mot injustice

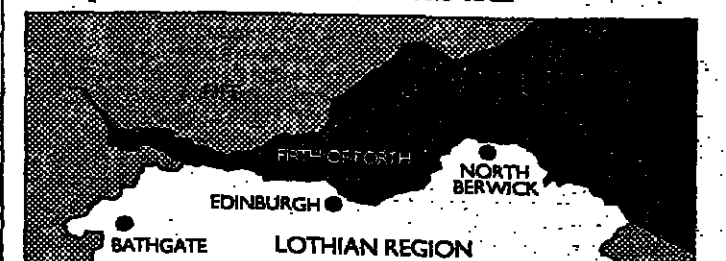
"Denmarkisation" is a lumpy new word which came into being in certain diplomatic circles this summer—and was promptly poured out by the French as a convenient way of conveying disdain for the Danes.

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DEVELOP WITH THE LOTHIAN REGION

Observer

هكذا من العمل

EUROPE'S FISHING INDUSTRY

Too many men, too many vessels and too few fish

THE SATURATION coverage given to the French fishermen's blockade of the Channel ports last month might suggest to the casual observer that the problems faced by the French fishing industry are exceptional. This impression has more to do with the Gallic talent for publicity than with the facts of the case.

All EEC fishermen are in trouble and have been for some time. But some of them have only recently come to realise the gravity of the situation. Throughout the Common Market fishing costs have been rising and recently prices have been falling. The majority of fishermen now say they are losing money and are clamouring for extra financial aid from their governments.

The basic problem is that Europe has too many fishermen in too many fishing vessels chasing too few fish. Fuel costs have soared and, following an unexpected cut in U.S. consumption because of the recession, the international market is overstocked, particularly with Canadian and Norwegian-caught fish.

Much of this surplus has been flooding on to the European market at give-away prices with which EEC fishermen cannot compete profitably. Because of the strength of sterling Britain has been a favourite destination for the cheap imports.

The industry has been shrinking during the last decade. Latest figures suggest that there are about 141,000 fishermen at work within the EEC compared with some 155,000 in 1970. The fall has been steepest in France where the number has declined from around 35,000 in 1970 to about 24,000 last year. In Britain the figure has remained more or less stable at 22,000.

Latest figures suggest that the total EEC catch amounted to 1.5 million tonnes in 1979, the largest share of this, up from about 20 per cent in 1965 to around 35 per cent. The Danes are the only

RICHARD MOONEY, reporting on the problems of the British industry, says that the EEC fishing fleets must be slimmed down.

EEC country to have increased their market share because they have invested heavily in industrial fishing for fishmeal. Britain's share has fallen from about 25 per cent in 1965 to about 21 per cent in 1978. Operating subsidies could ease the immediate problems, as could protection against imports. But in the longer term something more fundamental is needed. And there is growing acceptance of the fact that EEC fishing fleets must be slimmed down to levels better suited to the reduced fishing opportunities which have resulted from the last decade's general switch to 200-mile coastal fishing limits.

Agreement on a common fisheries policy—which may now be reached in Brussels by the end of the year—will release some money to aid this process, but most analysts believe that the £12m available from the Commission is nowhere near enough.

Germany, the Netherlands, France and Denmark have decided not to wait for the EEC scheme to get under way and have introduced limited restructuring programmes of their own.

Last month's French protest was triggered by vessels owners' attempts to slim their operations to more cost-effective levels by laying up boats and dismantling the services of many trawlers—a process which has been going on in Britain for some time. All EEC fishing fleets already

receive fairly substantial subsidies from their governments. But the basis of payment varies from country to country giving rise to arguments about the comparative advantages, and even the legality, of certain types of aid.

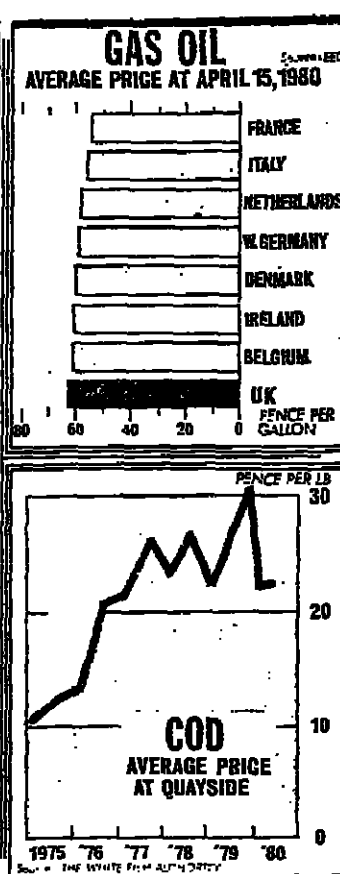
In Britain most fishing industry aid is traditionally paid in the form of grants and loans for building and modernising vessels, though a recently announced £14m aid package is expected to be shared out among vessel owners to offset expected losses. This extra aid will bring Britain's 1980 total to £32.9m.

In other EEC countries, notably France and West Germany, a substantial portion of the aid is given in the form of fuel subsidies, which have a more direct influence on fishermen's operating costs, but which the British Government has claimed are against EEC rules.

French fishermen are far from happy with the size of their fuel subsidy. One of their main complaints in the recent struggle with the Government was that the real value of their £5m-a-year subsidy had fallen from 15 per cent of fuel costs last year to about 8 per cent.

Whatever their relative merits such subsidies can provide only temporary relief while the Common Fisheries Policy—a far-reaching scheme for the careful sharing and conservation of EEC fish resources and for reducing total catching capacity—is finally hammered out by Community members.

The need for such a scheme has its roots in persistent over-fishing which has reduced stocks of many species to worryingly low levels. Until the last decade there was little that could be done to prevent this. Apart from three-mile coastal bands around each country the world's oceans then consisted of "high seas" in



Martyn Barnes

which catch-as-catch-can was the natural order.

But all that has now changed. The way was pointed by Iceland in the 1960s with its progressive extension of fishing limits to 50 miles—each time in defiance of outdated British attempts at gunboat diplomacy. Eventually, the rest of the world recognised the wisdom of Iceland's policy and in a remarkably short space of time 200-mile limits were general.

As a result EEC fishermen found themselves shut out of many of their traditional fishing grounds such as those around Iceland and Norway and

more limited mainly to fishing in the "EEC fish pond." This is the area of sea covered by the 200-mile zones of the member countries. Where a non-member country is less than 400 miles away the limits stop at the halfway point. The pond also excludes the six-mile coastal waters around member states which are still treated as territorial waters.

An EEC policy was drawn up by the original six, before Britain's entry under which national limits are due to end at the beginning of 1981. This would allow members to fish up to each other's beaches—a

prosperity Britain has fiercely resisted.

If a full-scale Common Fisheries Policy is not agreed this year, however, it is assumed the EEC will "stop the clock" while negotiations continue rather than enforce this outdated policy which is now unacceptable to most members. While this wrangle has dragged on, pressure on EEC fish stocks has increased inexorably.

The first stock to be driven down to danger level was the North Sea herring for which fishing had to be halted four years ago. Cod, haddock and

flatfish stocks are now nearing danger point.

As a result, successive reductions in catch quotas have trimmed fishing opportunities to a level where few vessels can operate profitably. The UK which traditionally fished mostly for cod in the distant waters which are now shut off, has been the main sufferer and the effect on its mainly company-owned distant water fleet has been dramatic. From 500 ships five years ago this fleet—dominated by British United Travelers, a subsidiary of Associated Fisheries—is already down to fewer than 100 operating vessels and those that remain are losing money.

An independent accountant's report commissioned by the British Fishing Federation, which represents the deep sea sector, showed that BFF members made an aggregate loss of £1.2m in the six months to the end of March and forecast that they would lose £1.8m more in the six months now ending. Against this background the £14m aid package announced last month was predictably described by the BFF as "too little and too late" though it congratulated the fisheries ministry on getting any money at all out of the Treasury in current circumstances.

The inshore and middle water sectors of the fleet have fared much better than the distant water sector and until recently investment in new boats, especially the more efficient purse-seine type vessels, continued at what was widely regarded as "an alarming pace." Warnings on the folly of such investments are now coming true and most vessels in this sector are also making losses.

The inshore operators were temporarily saved by the sudden upsurge in the mackerel fishery in the last decade.

But warnings that the stock was being overfished have been

headed and this year the quota has been cut to about 180,000 tonnes. As a result the fishery offers only about one day's fishing a week for most vessels.

It is becoming increasingly clear that the only long-term solution to the British fishing industry's problems is to reduce its size. And, if planned restructuring with Government aid is not begun soon, the industry will be forced to restructure itself. But in that case it is feared that the newer, most efficient boats and the most skilled skippers would be the first to go because they are facing the most intractable financial problems.

A long time ago of fleet restructuring is Mr. Charles Meek, chairman of the UK White Fish Authority. For several years he has been urging the Government to make money available for the planned reduction of the fishing industry.

But the Government is understandably reluctant to spend any public money on such a scheme until the EEC's Common Fisheries Policy is agreed. This will release money already earmarked for the purpose.

According to Mr. Meek, Britain could expect to receive about a third of the £12m set aside by the EEC, well short of the £32m over five years he estimated was needed to restructure the British fleet alone.

Mr. Meek's campaign is strongly supported in a House of Lords report published yesterday. The report, by the European Communities Committee, calls for urgent action to achieve a viable UK fishing industry for the future. "The Government should prepare their own scheme for implementation as soon as possible; this should not be held up until agreement on this aspect of the Common Fisheries Policy has been reached," it says.

Letters to the Editor

Cost of kidney transplants

From Mr. James Bones

Sir—David Fishlock's article "A Modern Medical Dilemma" very ably described the high costs per patient of modern specialist medicine. In the process, however, he did the kidney transplant programme a disservice. It is probably true that kidney transplant operations now total a figure of about 1,000 per annum nationally; and it is certainly true that they are life saving operations; but nobody has ever before, I believe, suggested that these operations cost as much as £30,000 to £40,000 each (roughly twice his calculated heart transplant cost)—next to £4,000 to £10,000 per annum to the National Health Service.

The NHS appears to know the price of everything and the value of nothing. Try finding out the cost of treating an incoming tonnell let alone a real transplant, variously estimated (usually by the doctors involved who have little real qualification to act as cost accountants) at between £4,000 and £10,000 per patient over the past year. The difference between these latter figures and those used by Mr. Fishlock is so much that I find it necessary to challenge his figures.

On research and advanced fringe medicine of the kind discussed, Mr. Fishlock's several times referred to the politician's wish to leave final decisions to "near extinction." In principle, this is fine; in practice, politically imposed cash limits, in the case of the Dulwich Hospital Renal Unit, have resulted only a fortnight ago in an abrupt halt to renal transplantation, which threatens (for the sake of £250,000) to halt this life giving work at Dulwich Hospital until the next financial year, April, 1981. In that period of 8 months, some 40 to 50 transplants would normally have been undertaken.

So, at a stroke, unless there is a reprieve, some 5 per cent of the UK's transplant programme will be cut this year in effect by the politicians. For renal transplantation, Mr. Fishlock indicated is now well out of the experimental stage and though still high risk is accepted treatment by the profession as a whole. In this instance, the dilemma is not so much the cost implications of successful medical research but more the financial cut off point, which politicians must in the end determine, at which human life is no longer worth saving even if viable treatment is readily available. In fact, one of the reasons why renal grafts are available in the UK is the support given to this treatment of end stage renal disease by previous Administrations—including a publicity programme to raise the number of potential kidney donors, which, over the last several years, must have cost the tax payer many millions of pounds. Now that the flow of kidneys is beginning to increase, the politicians have imposed financial conditions on the Health Service which are having the result of reducing rather than increasing the number of renal transplants being carried out.

Of course, renal transplantation is only one area of medicine where patient services are under severe pressure as a result of financial stringency; but, because of its life or death

characteristics, it must rank as one of the most critical of all. Yet, under the umbrella of the philosophy sketched by Mr. Fishlock—and about which I am sure he is right—the politicians seem able to escape from the responsibility their position clearly carries, allow patients to die for want of available treatment, conspire by silence to avoid criticism, and like Pontius Pilate, wash their hands of what is happening at Dulwich Hospital (and wherever else next).

James Bones,
Chairman,
Dulwich Hospital Kidney
Patients Association,
40, The Highway,
Sutton, Surrey.

Vehicle registration

From Mr. C. R. Pout

Sir—Like Mrs. Meguyer (September 9) I own an off-the-road Jaguar, now 30 years old but not, apparently old enough to warrant "historic vehicle" exemption under the new road fund licence provisions. I too am dismayed by the proposals, but wonder if they will prove to be practical.

They will, presumably, require the precise legal definition of a vehicle. Is my Jaguar still a vehicle if I remove the wheels, or the engine? If so, is the collection of spare parts in my garage necessarily enough to build a complete car—also a vehicle? If so... etc., etc., down to the radiator mascot on my mantlepiece? One could perhaps assume that the definition will depend on registration (rather than licensing) of the vehicle at Swansea, if this is to be the case then occasional users have solution—"scrap" the car, return the registration document to Swansea and apply for a new registration each time road use is needed.

The net practical result would be to substitute the word "registration" for licensing. Net cost to the car owner—a lot of inconvenience going through the registration procedure each time. Net cost to the taxpayer—a new computer and twice as many staff at Swansea to cope with the "new" registrations. Net effect on the tax dodgers—nil. They can simply drive unregistered cars (theoretically "scrapped" but retaining number plates and as difficult to detect as at present).

Is it too much to hope that the Minister will opt for the more practical solution of adding tax to fuels. Given the likely future oil supply position and the current and likely future state of the motor industry, I should have thought that the Government would be very keen to encourage people to buy cars, but not to use them.

C. R. Pout,
"Shumydeane,"
Marshside,
Nr. Canterbury, Kent.

Reactor performance

From Professor W. Murgatroyd

Sir—David Fishlock's brief but prominently displayed article "Reactors built in Germany 'work best'" which appeared on September 8, exemplifies the danger of seriously misleading your readers when quoting or summarising a statistical study of this kind. Even

the so-called "very sophisticated type of computer analysis" referred to by Mr. Fishlock is still extraordinarily crude when related to the many factors which can determine the actual performance of nuclear reactors. By focusing attention on the country responsible for design or construction, or on the reactor type, a totally false impression can be given to the reader. National safety legislation and the way it is implemented varies from country to country; the operational skill and in-house rules of electricity utilities can also vary greatly even within the same country. These factors, which have so far defied quantification, may well contribute more to the difference in performance than the fact that the reactor was built in Germany or the U.S., or that it was a PWR, BWR or CANDU. Readers should also be warned against the uncritical use of the term "capacity factor" as a measure of reactor performance.

I hope that the author will publish his study in the scientific Press because that could provide a forum for informed discussion and criticism and incidentally afford your correspondent the opportunity of presenting your readers with a more meaningful summary of this important topic.

W. Murgatroyd,
Imperial College, SW1.

British Rail's hara-kiri

From Mr. John Watson

Sir—Your leading article today suggests that British Rail—on whom we all to some extent depend—is about to commit hara-kiri in the same way as the motor industry and many others. Owing to the intransigence and shortsightedness of their employees, prices are to be pushed up even higher and demand thus restricted. The only result will be that, instead of protecting their jobs, more will ultimately lose them than would otherwise have been the case.

Meanwhile, the consumer, who in this case is not able to turn to high quality imports at a competitive price, is obliged to suffer both the rip-off prices and indifferent grudging service. John Watson,
8, Granville Road,
Southport,
Merseyside.

Commuting problems

From Mr. A. J. Greenstreet

Sir—Mr. A. J. Jones makes an excellent point (Commuting Problems—September 8) when he suggests that employers in London and the South East should be allowed to assume some responsibility for the operation of commuter services, and that those who provide these services should be accountable to more influential organisations than commuter associations.

Progress in bringing commuter service operators up to a proper mark might also be kept if employers were also to keep a book in which their employees would be encouraged to enter up defects in the services which they had encountered on their way to work. At the end of each month the personnel officer could then make a consolidated statement of complaints to the

appropriate transport operator require explanations and ask for reassurances about future performance. This should have a much more powerful effect than scattered complaints from isolated individuals and weak commuter associations. A. J. Greenstreet,
23 Waverley Drive,
Cambridge, Surrey.

Redundancy riddle

From Mr. J. P. Pickering

Sir—I was in no way surprised to read in your paper dated September 8 that the leader of the Labour-run Wakefield Metropolitan Council should claim that the Government was mesmerised by statistics. Even less I was surprised to read that in his opinion the redundancies being sought could not come from the administrative staff. In his opinion redundancies would have to be found among teachers, residential care workers, dustmen and other council employees.

My 20 years' experience as a councillor in a local authority taught me that councillors, especially Labour councillors, are completely mesmerised by their administrative staff. Such councillors look upon their administrative staff as demigods whose comforts and wishes take precedence over that of the ratepayers whom they are supposed to represent, and certainly over those who render a real service to the ratepayers by doing a good job of work instead of merely pushing pieces of paper from one to another. Councillors, especially Labour councillors, do not believe that the workers of the world should unite: they would prefer to remain mesmerised by their administrators.

J. P. Pickering,
Orchard Place,
Hexham, Northumberland.

The "strength" of the pound

From Mr. Roger Bartlett

Sir—As a student of economics I find it quite baffling that many commentators throughout the Press and media as a whole are unable to resist the temptation to value the Pound Sterling solely in terms of the American dollar.

While many do give us the 1971 (Smithsonian) parity figure, it is never used as a news-worthy indicator. Hence, the totally biased view that the pound is overvalued has emerged.

If British industry looked at the 1971 comparison in terms of a "basket of currencies" they would find that they are operating with sterling at approximately 76 per cent of its previous value. In my opinion, this means that our exports should be more competitively priced.

The fact that our export performance has not been good must, therefore, be more with the quality of product and sales service provided than with any "unfair" price advantage as claimed by all sides of industry. Let us put our own house in order before blaming any "unfair" advantages on the nearest and most convenient indicator that can be found. Roger Bartlett,
9 Ardmore, Vicarage Road,
Leigh Woods, Bristol.

Today's Events

GENERAL
UK: Mrs. Margaret Thatcher is shown the work of the UK Atomic Energy Research Establishment, Harwell, by Sir John Hill, UKAEA chairman.
Sir Geoffrey Howe, Chancellor of the Exchequer speaks at Aston University conference, Manchester.
Earl of Gowrie, Employment Minister, speaks at Peterborough and March.
Liberal Party Assembly continues, Blackpool.
Sir Peter Masefield, president, opens International Federation of Airworthiness

annual conference, Royal Garden Hotel, London (to September 13).
Sir Henry Plumb opens British Veterinary Association annual congress, York University (to September 14).
London Tourist board publishes annual report.
International Printing Machinery and Allied Trades Exhibition opens, NEC, Birmingham (to September 19).
World Carriage Driving Championships, Windsor Great Park (to September 14).
Overseas: Mr. Robert Muldoon, New Zealand Prime Minister, arrives in Peking for an official seven-day visit to China.
Chilean plebiscite on new constitution.

COMPANY MEETINGS
Crown House, Connaught Rooms, Great Queen Street, WC, 11, Unigate, Dorchester Hotel, Park Lane, W. 12, United Gas Industries, Connaught Rooms, Great Queen Street, WC, 12.

Wellman Engineering, Farnell House, 25, Wilton Road, SW, 12.
COMPANY RESULTS
Final dividends: Guinness Peat, KCA International, Maynards. Interim dividends: Allen Harvey and Ross, Bridon, Hepworth Ceramic Holdings, Highcroft Investment Trust, Lyon and Lyon, Magnolia Group Holdings, Prudential Corporation, Rosediamond Investment Trust, Sedgwick Group, George Spencer, Taverne Rutledge, Turner and Newall, United Securities (Holdings), Interim Dividend: J. Hewitt and Son (Fenton).

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Babcock cut to £6m midway

AS EXPECTED, substantially lower profits for the first half of 1980 are reported by Babcock International, the major engineering and contracting group. The pre-tax figure has slumped from £15.48m to £6.1m on turnover of £407.86m, against £389.36m.

Sir John King, chairman, says the group has not been able to escape the effects of the recession on profits. He had warned in May that the group was suffering from falling orders, high interest rates and strong sterling.

However, he feels the group is well able to ride out the present conditions because of the group's many different products and businesses and the wide geographical spread. Long-term prospects remain bright.

The interim dividend is being maintained at 3.4p per 25p share—last year's total was 7p on pre-tax profits of £32.05m.

First half profits are after interest of £7.46m (£2.74m) and income of £10.00m (£209,000) and associates' profits of £1.62m, against £1.3m. Tax charge is £3.6m compared with £6.2m.

There is also extraordinary credit of £1.49m (£5.4m) being realisations from sales of properties and investments.

The chairman says the most

HIGHLIGHTS

Lex looks at the way the gilt-edged market boiled over yesterday with hopes on MLR becoming less enthusiastic, but interest rates are still expected to fall within a few weeks. Dismal news was revealed by the corporate sector yesterday and Lex considers three disappointing results. Babcock's profits have plunged, having been hit hard in the U.S., and P & O's shares fell yesterday as the group's interim performance fell below market expectations. Meanwhile at Thomas Tilling profits are up marginally but trading is becoming more difficult. On the inside pages the size of the loss reported by Carpets International caught the market on the wrong foot and BSR reveals a very hefty loss for its first six months. On the issue news front British Vita is tapping the market with a rights issue, York Water is raising money and Houston Oil is getting a London listing.

important aspect of the results has been the performance of the North American operations. In the recent past they have been the major profit contributor, whereas in the first half of this year their profits were insufficient to cover interest charges, including the servicing of funds raised to acquire those businesses.

The most depressed sectors served by the group have been the construction and motor industries in the UK and North America. Sales of construction equipment, chain and motor vehicle components to these industries, especially by plants in

North America, were substantially below last year's levels and profits suffered accordingly. Despite the economic difficulties, the process control and instrumentation business in North America achieved creditable increases in both turnover and trading profits.

Companies involved in the construction of power generation plants also performed well. The exception was Babcock Belgium, where trading conditions continued to be difficult but profitability was significantly improved by Babcock Power.

Babcock Mexco was again highly successful. Most of the

other contracting operations, however, suffered from a shortage of work and losses were sustained by Babcock Contractors, Claudius Peters and Babcock Contractors Inc.

Faced with the declining volume of business, managers have been continuously balancing their labour forces throughout the period, taking advantage of natural wastage and effecting reductions where necessary. The costs associated with these actions amounted to £800,000.

The board believes it improbable that there will be any significant favourable movement in North American markets generally before the middle of 1981.

Similarly, in the UK, the short-term prospects of an upsurge in demand for engineering products and capital goods are not good.

The total value of orders on hand at June 30, 1980, amounted to £516m compared with £506m at the start of the year. A Babcock Africa contract to supply and construct six 600 megawatt coal-fired boilers and ancillary plant at the Lethabo power station for a value of £286m, subject to escalation, was a major addition to the group order book, which at the end of July stood at £1.12bn.

Lex, Back Page

William Collins recovers midyear

AFTER a loss last time of £282,000 William Collins and Sons (Holdings), publisher, reports pre-tax profits of £175,000 for the half year to June 29, 1980, after depreciation costs down from £501,000 to £540,000, interest charges of £1.1m, but including associates' profits of £127,000 against £25,000 last year.

Directors say volume sales and margins will continue to be affected by high interest rates, the strong pound, overseas competition and reduced public expenditure in the UK.

The group's ability to meet these problems has strengthened due to the action being taken to improve efficiency and reduce costs, they add, but sales in the last four months are critical if the improved trend is to be maintained in the second half.

Turnover during the half year slipped from £29.32m to £28.7m. After tax this time of £78,000 (£90,000), the attributable balance was £97,000, compared with a loss of £215,000 last time. Dividends per 25p share are 0.7p, against 0.7p last year and an interim dividend of 0.5p net has been recommended. Last time both the interim and final dividends were omitted.

The board says the closure of the U.S. subsidiary is nearing completion and will be within the provision made in the 1979 accounts. The Australian company has returned to profitability and in the UK, results have improved. The directors have decided not to introduce the employee share scheme at this time.

comment

It hardly needs to be noted that the UK publishing industry is going through an unhappy time for this reason. It is all the more encouraging to hear of the firm turnaround in Collins' interim pre-tax showing. The improvement came from a move into the black in Australia and a much reduced loss in the U.S. subsidiary book and magazine business. The latter stems in part from 580 redundancies made last year. UK publishing remains tough however, and Collins has suffered a profit drop in this division. But it has been putting its best foot forward better order with borrowings down from around £19m at this time last year to a current level of near £15m. With a possible £1m pre-tax in sight this year, the group is paying its first dividend since 1978, and is another encouraging sign. The shares rose 3p to 103p yesterday.

British Vita plans £5m rights as profits slip

British Vita, manufacturer of plastic and foam compounds, is raising £5.35m by way of a rights issue on the basis of one new share at 105p for every four held on September 1.

The company has also published interim results showing pre-tax profit down 9.5 per cent to £3.7m from £4.1m despite a 47 per cent rise in turnover from £31.7m to £46.6m.

Profit attributable to shareholders dropped 22 per cent to £2.3m from £2.9m or 10.7p a share basic (15.1p), 10.3p a share fully diluted (14.9p).

The interim dividend has been raised from 2.4p net to 2.6p and the company has undertaken to maintain the 2.6p final rate in the absence of unforeseen circumstances.

The chairman notes that profit on international operations has grown while profits in the UK have declined and the UK tax rate has risen from an estimated 25.5 per cent in the first half of 1979 to 35.5 per cent in the current period. The directors

expect that pre-tax profit margins will be reduced in the full year by the continuing impact of the recession, high interest rates and the strength of sterling but they believe it would not be prudent to make a forecast. Above, no increase in demand is anticipated although margins remain satisfactory.

British Vita's first ever rights issue is to permit the group to retain the flexibility to respond to opportunities while maintaining an appropriate balance between equity and debt finance.

The issue, which has been underwritten by N. M. Rothschild and Sons, will consist of 5,285,949 new shares of which 1,458,488, 27.5 per cent, are being placed with institutions at 16p a share on behalf of certain directors and substantial shareholders who are not taking up any of their rights. Dealings in the new shares will begin on September 12.

comment

Given the indifferent interim

results from British Vita and the depressed share price, the timing of the £5.35m rights issue is not ideal. The group has unusually good record, with acquisitions and it believes the opportunities it can seize in the next year or so will overcome the diluting effect of the issue. In the meantime, the proceeds should also cut borrowings from more than 50 per cent of shareholders' funds to about 30 per cent and reduce high interest charges. Trading prospects for the balance of the year remain dull, given the recession in the furniture and other consumer industries where Vita sells most of its foams, fibres and fabrics, and pre-tax profit for the year could drop 16 per cent to £7.5m. The prospective earnings, fully-taxed p/e on the average share capital in issue during the year is about 8 and the shares, which fell 8p to 135p yesterday, could face further pressure. The prospectus yield on the promised maintained final is just under 6 per cent.

Carpets Intl. shows £4.67m loss

LOSSES OF £4.67m have been incurred by Carpets International for the six months to June 29, 1980, compared with profits of £0.67m in the same period last year. As a result, no interim dividend is being declared. Last year, an interim of 1.75p net was followed by a 0.75p final.

When regarded this performance as both unsatisfactory and exceptional," says Mr. J. M. Carpenter, chairman, describing the loss as due primarily to one of the lowest new housing starts post-war, high interest rates, mortgage difficulties and a high volume of lowest imports. The group expects an upturn in trading in 1982 when, after three years of recession, interest and mortgage rates should be lower, with more people moving house.

Turnover for the half year amounted to £54.38m against £58.67m. After a tax charge of

£0.14m (£0.42m), minorities held at £0.11m and an extraordinary debit this time of £0.14m, the attributable loss is £5.06m, compared with profits last time of £0.14m.

Mr. Carpenter says the group has seen no signs of an improvement in UK trading. A cut in the minimum lending rate would be the single most helpful thing the Government could do to help the carpet industry.

The Board is taking vigorous counter-measures to restore profitability, the chairman says. Priority has been given, in the short term, to developing a more rigorous policy of cash conservation, and, in the longer term, developing strategies to streamline operations while maintaining capacity for growth, to cut costs, to reap the benefits from the company's substantial investment in new technologies, and to increase its share of the

market on a profitable basis. Rationalisation of product manufacture is taking place on a planned basis in the UK and is on its way to reducing factory floorspace requirements by 24 per cent. The number of employees has decreased by over 1,000 in the current year, about one-sixth of the total payroll. These measures will cut operating costs by at least £8m in a full year, directors say.

comment

Most analysts had been using red ink for their Carpets International forecasts but the extent of the loss was a shock and sent the shares down 3p to 20p, their low of the year. At this level, the company is capitalised at only £4.7m which compares humbly with shareholders' funds of about £34m. The group is clearly going to need asset disposals since a comparable loss

in the second half (and there is little reason to expect any better) would produce a debt/equity ratio of about 1:1. It is not encouraging that the first major sale, of an investment in Felix New Zealand, threw up a significant book loss but the company insists that its UK properties, which are being extensively rationalised, are heavily written-down. The disastrous trading picture was reinforced by yesterday's grim losses from Youghal. In the first half of this year, industry exports were down 25 per cent and imports—mostly from the U.S.—were up 46 per cent. U.S. imports fell sharply in July but the pressure on CI is unlikely to relent for at least 18 months. By that time, with closure costs mounting this year, the group may need to utilise its recent connection with Hong Kong Carpet Manufacturers.

Francis Parker well ahead

FROM INCREASED turnover of £11.2m against £9.62m, profits before tax of Francis Parker, raw materials supplier and manufacturer of concrete products, rose from £177,000 to £349,000 in the first six months of 1980.

Mr. R. K. Francis, chairman, is pleased with the improvement in the performance of the trading companies. But the deteriorating economic situation and persistently high interest rates make it unlikely that this rate of progress will be maintained in the second half, he says. Tax charges in the half year are £12,000 (£3,000) giving earnings per share of 1.31p against 0.67p. Interest charge in the half year is £1,06m (£811,000). Again, no interim dividend is being paid.

BRENGREEN Further to its announcement regarding the purchases of Jobmart and Jobmart (North), Brengreen (Holdings) will be issuing 571,428 new ordinary shares as part of the consideration.

Newbold and Burton lower

Reflecting reductions in demand and profit margins, first half 1980 taxable profits of Newbold and Burton Holdings, ladies' footwear manufacturer, fell to £142,000 against £276,000.

The interim dividend is held at 1.4p—last year a total of 3.78p was paid from pre-tax profits of £241,000.

First-half sales amounted to £5.39m (£5.19m) and tax took £74,000 (£144,000).

First half loss for Youghal

AFTER INTEREST charges up from £1.19m to £1.74m, Cork-based Youghal Carpets (Holdings) has plunged to a pre-tax loss of £1.56m in the 26 weeks to June 29, 1980, compared with a profit of £0.76m. The surplus for the whole of 1979 was £168,000 after second-half losses of £593,000—the results included rationalisation costs of £582,000.

The directors say there are no indications of short-term improvement in the trading environment and it is their primary objective to reduce debt and return the group to profitability.

They anticipate that the proposed £3.5m capital injection in the form of a subscription for preference shares by Fair Teoranta, an Irish Government

agency, will contribute to the achievement of this objective.

First-half trading profits fell from £2.39m to £0.66m before depreciation of £479,000 (£439,000) and interest.

A tax credit of £522,000 (£57,000 charge) leaves a deficit of £1.04m (£66,000 profit) and preference dividends absorb a further £16,000 (same).

The loss per share is shown as 6.3p (3.9p earnings). The interim dividend is again omitted—the last payment was a single dividend of 2.045p net for 1977.

M. J. H. Nightingale & Co. Limited

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1979-80	High	Low	Company	Price	Change	Div (p)	%	P/E
29	51	49	Airsprung	52	+	6.7	12.9	3.1
50	21	19	Armitage and Rhodes	22	—	1.4	6.4	8.1
170	82	74	Bardon Hill	170	—	9.7	8.7	6.4
100	76	68	County Cars 10.7% Pr.	74	—	15.3	20.7	—
101	63	55	Deborah Ord.	57	+	5.5	5.7	4.8
128	86	78	Frank Horsell	124	—	7.9	18.4	3.5
129	67	59	Frederick Parkers	67	—	1.5	1.5	1.5
158	85	77	George Blair	85	—	16.5	18.4	—
84	45	37	Jackson Group	42	+	8.0	7.3	3.1
151	102	94	Jones Burrough	119	—	7.8	16.6	3.8
325	242	204	Robert Jenkins	305	—	31.3	10.2	—
232	175	147	Tandey	220	—	15.1	6.9	3.7
34	10	7	Twinnick Ord.	10	—	15.0	17.9	—
90	70	62	Twinnick 18%	64	—	3.0	6.5	7.1
86	23	15	Univick Holdings	46	—	5.7	5.7	5.5
101	42	34	Walter Alexander	100	+	1.7	1.7	1.7
245	130	102	W. Yates	245	—	12.1	4.9	4.9

Portals Holdings Limited

Banknote and Security Paper, Water Treatment and Engineering, Property

Results for the half year to 30th June 1980

	Six months to 30th June 1980	Six months to 30th June 1979
£ thousands	£ thousands	
Group Turnover	60,352	44,125
Group Profit before Taxation	4,975	4,509
Profit attributable to Ordinary Shareholders	2,387	2,140
Earnings per Ordinary Stock Unit	13.23p	11.97p

The half year

With poor trading conditions in many parts of the world, the obtaining of orders is our main concern at present. Pressure on margins is inevitable and we are striving to find ways to cut the costs of our products to enable us to combat the effects of a continuing strong pound. Our liquid resources are sufficient for our present trading and planned growth.



For a copy of the full interim statement apply to: The Secretary, Portals Holdings Limited, Laverstoke Mill, Whitechurch, Hants. RG26 7NR. Telephone: 0256 82 2360

Dorada dives to £85,000

TAXABLE PROFITS of Dorada Holdings, vehicle distributor, engineer and merchant, fell in the six months to June 30, 1980, from £751,000 to £85,000 despite turnover showing a rise to £38.02m, compared with £35.61m, during the period.

Mr. R. K. Francis, chairman, says the group has suffered more than doubled interest charges of £554,000 (£316,000) and losses of £271,000 attributable to a branch closure.

Since then, he says, matters have got better and the company's distribution is at its lowest ebb since the war and BL are supplanting the market with their unreal discounts.

But he feels that Dorada can weather this hurricane, although in his opinion there will be no upturn until 1981, at the earliest.

The interim dividend is maintained at 2.1p net. Last time a total of 5.47p was paid from pre-tax profits of £1.85m. Gross earnings per 25p share are given as 3.5p (12p).

Mr. Thomas Kenny, the chairman, says that by normal criteria the interim should be reduced but the company has good assets and no cash problems. This influenced the dividend decision.

During the six months the motor division's turnover amounted to £28.52m (£30.8m) with profits of £514,000 (£247,000). Engineering contributed £5.4m (£4.8m) and £224,000 (£220,000). Merchandise turnover was £4.06m and profits £172,000.

The commercial vehicle operation in London Road, Glasgow, has been closed since June 30. The downturn in trade plus a five-week strike resulted in losses. These losses had to stop, the chairman says, and the company is also ceasing trading in the public service vehicle sector.

The chairman says that the engineering companies started the year in a buoyant mood but they are now feeling the effects of the recession and order books are getting thin.

The merchandising division is trading profitably and the trend is improving.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corre-Total of year	Total last year
Babcock	3.4	Oct 20	3.4	—
Banco Consolid.	0.58	—	0.58	—
Biddle Holdings	2.4	Oct 30	2.4	—
BSR	1.1	—	1.1	—
Carpets Intl.	—	—	—	—
William Collins	0.7	Oct 13	0.7	—
Cosalt	1.5	Jan 2	1.5	—
Dorada Holdings	2.1	Oct 17	2.1	—
Robert M. Douglas	3.4	Oct 22	3.4	—
F. and C. Eurotrust	1.45	Oct 22	1.45	—
Harrisons Malaysian	5.5	Oct 22	5.5	—
Jones and Shipman Int.	3.7	Oct 17	3.7	—
Lead Industries	1.1	Nov 28	1.1	—
Leysland Patis	1.1	—	1.1	—
Minerals and Resources	1.64	Oct 24	1.64	—
Montford (Knitting) Int.	1	Oct 23	1	—
Newbold and Burton Int.	1.4	Oct 21	1.4	—
Nurdin and Peaceck Int.	1.88	Oct 24	1.88	—
P. and O.	3	Jan 6	3	—
Portals	4.75	Dec 31	4.75	—
Thos. Tilling	3.53	Jan 2	3.53	—
Zambia Copper	3.59	Oct 22	3.59	—

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To compensate for delayed payment. § U.S. cents throughout.

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مكتبة النجف

P & O drops to £12.9m at halfway

WITH SOME activities in the UK adversely affected by the trade recession, pre-tax profits of the Peninsular and Oriental Steam Navigation Company fell from £13.7m to £12.9m for the first half of 1980.

All shipping divisions have had to absorb large increases in the cost of fuel, compared with the same period in 1979, while the strong pound has depressed shipping and overseas profits.

However, oil trading activities again produced good results and other divisions generally maintained profits.

Although the group's ferry services have been seriously affected by the French fishermen's blockade of the Channel ports, the board sees no reason at present to depart from the

chairman's forecast in his annual statement that profits were unlikely to increase other than moderately over the full year.

Last year, profits before tax totalled £38.7m.

Trading conditions in the UK are expected to remain difficult for the second six months of 1980, but although there will be little relief from the interest burden and sterling continues to be strong, the second half is expected to be seasonally stronger. Oil trading activities continue to perform well.

Continuing high interest rates left the interest charge for the half year little changed at £20.4m (£21m), despite a reduction in overall borrowings from £41.5m to £28.2m.

Tax charge increased by £1.5m

to £7.9m largely due to higher tax in the U.S. on oil trading activities. Earnings per £1 deferred stock dropped from 4.8p to 3.3p, but the interim dividend is held at 5p net—last year's final was 4p.

Gross revenue from outside the group climbed in the period from £567.1m to £1.05bn.

Operating profits slipped from £26.15m to £24.1m, which included reduced profits of £0.8m (£1.95m) on the sale of ships. Associates' contributions improved from £8.63m to £9.21m.

A divisional breakdown of the total operating result (including associates) shows: bulk shipping £3.8m (£3.3m), general cargo £11.2m (£9m), passenger £0.4m (£4.1m), European transport and agency services £0.5m (£1.2m)

profit), energy £8.6m (£8.6m), Bovis £2.9m (£4.2m), P. and O. Property £2.3m (£2.5m), UK banking £1.5m (£0.6m). UK insurance net (£0.5m), Australia £3.2m (£3.9m), other overseas £1.2m (£0.3m). Head office expenses less other activities accounted for £1.3m (£1.4m). Last year's figures have been adjusted for comparable disclosure of overhead costs.

Exchange losses jumped from £607,000 to £2.88m, while extraordinary debits took £226,000 (£1.32m credits) which comprised a £0.5m loss on sale of trade investments and subsidiaries, less a £0.3m profit on sale of properties.

Attributable profits emerged well down at £1.65m, compared with £7.55m. Dividends again

absorbed £3.4m, which meant that £2.64m was brought from reserves (£3.25m to reserves).

	1980	1979
Gross revenue*	1,048,557	587,128
Depreciation	21,413	24,826
Sale of ships' profit	802	1,547
Operating profit	24,104	26,154
Associates' share	9,211	8,627
Net int. payable	20,405	21,004
Profit before tax	12,910	13,777
UK tax	1,924	1,321
Overseas tax	1,346	1,372
Associates' tax	1,845	1,372
Net profit	4,993	7,408
To minorities	230	578
Exchange losses	2,880	607
Extraord. debit	226	132
Attributable	1,657	7,545
Pre-d. dividend	59	59
From reserves	2,460	4,239
From outside group	3,642	12,347
* From outside group		
† To reserves		

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BSR topples into loss of £3.4m in half year

LOSSES of £3.4m have been incurred by BSR, the record changer and consumer products group, for the first half of 1980, compared with pre-tax profits of £2.55m in the same period last year. At the end of 1979, pre-tax profits of the group had dropped from £14.7m to £3.3m.

The directors are not paying an interim dividend this year compared to last year when a 1.415p interim was declared followed by a similar final.

As regards dividends this year, this will depend on the results as well as the outlook for 1981, the directors say.

All expenditure throughout the group is being examined to reduce the break-even point in each of the operations but as the recession bites, this is becoming more difficult, the directors say.

In addition much emphasis is being placed on reducing group stocks substantially by the end of the year to reduce bank borrowings.

Directors have already reduced record changer capacity still further by closing the factory in East Kilbride in July and by having further redundancies in the Midlands as well as short time working.

Though action is being continually taken to reduce cost of production the savings made are being eliminated by the continued upward movement in the pound sterling against all other major currencies. Cost inflation as well as the strength of the currency is fast eroding whatever profit margins there were on exports.

The consumer products divi-

sion is now feeling the adverse effects of the recession and it is doubtful if the results for the second six months will measure up to those of the first half.

	First half 1980	First half 1979
External sales	69,276,242	75,245,287
Trading profit	559,541	5,754,270
Exchange losses	1,327,039	2,032,729
Interest paid	2,652,158	1,165,051
Loan interest	13,866	16,598
Loss	3,444,303	2,545,912
Tax credit	857,177	11,135,522
Net loss	2,577,126	1,410,390
Extraord. debit	2,061,039	—
Minorities	1,056	12,372
Retained profits	48,204,853	57,027,548
Interim dividend	—	1,259,325
* Profit, † Charge		

comment

There are few obvious chinks of light in the gloom surrounding BSR. The first half loss is rather larger than expected, and the share price eased 1p on the news to 21p, though the passing of the interim dividend must have been fully anticipated. Demand for the products of the sound reproduction division remains depressed — current output of around 90,000 units a week is less than half the peak levels of a few years back—and the group fears that sales could weaken again in the final quarter. The consumer products side has become overstocked, and there is a general attack on group debt which has reached £35m net. At least BSR is talking about reasonable profits next year from its X10 switching device, soon to be launched in Europe, and from the computer components business in Hong Kong. But a further group loss

Montfort down half-time

TAXABLE PROFITS of Montfort (Knitting Mills), the hosiery and knitwear manufacturer and distributor, slumped from £399,051 to £93,489 in the six months to June 30, 1980. The directors say the deepening recession and a marked fall-off in consumer spending has meant that major retailers' programmes for the intake of new merchandise were severely curbed.

While trading levels in the High Street remain depressed, they add, "it is not possible to be optimistic as to the outcome for the full year."

Turnover for the period slipped from £5.34m to £5.22m. Tax took £18,688 (£181,995).

The interim dividend is 1p net (£1.27p) per 25p share last year a total payment of 7p was paid from pre-tax profits of £909,938.

WEBER HOLDINGS

Weber Holdings has sold its property at 31-35 West Road, Tottenham for £825,000. At the end of 1979 it had a book value of £87,090.

Harrisons Malaysian over £31m

TAXABLE PROFITS of Harrison's Malaysian Estates, an 80 per cent owned subsidiary of Harrisons and Crossfield, rose from £30.47m to £31.26m in the year to March 31, 1980, and the dividend is lifted by 1.5p to 8p with a final of 5.5p.

The directors warn that given present prices for its produce—rubber, palm oil, and kernels, copra and cocoa—it may be hard to match this result in the current year.

Profits from these commodities fell sharply from £26.69m to £26.24m during the year, but the pre-tax surplus also includes higher investment income of £3.57m (£2.9m) and other income ahead at £1.03m

(£458,000). Associates contributed £24,000 (£420,000).

A breakdown of crops harvested and the profits they contributed shows that palm oil and kernels produced a surplus of £15.48m (£16.37m) from a crop of 142,074 tonnes (136,135);

Sharply increased exchange losses of £1.94m (£506,000) leave the attributable surplus lower at £15.48m, compared with £15.68m last time, when there was also an extraordinary debit of £142,000. Dividends absorb £13.36m (£10.85m) and the balance retained emerges at £12.12m (£4.52m).

A breakdown of crops harvested and the profits they contributed shows that palm oil and kernels produced a surplus of £15.48m (£16.37m) from a crop of 142,074 tonnes (136,135);

cocoa £4.03m (£5.93m) from 5,258 tonnes (4,917); copra £503,000 (£509,000) from 5,083 tonnes (4,529) and rubber £3.23m (£3.88m) from 40.23m kg (40.62m kg).

They add that expenditure planned for this year amounts to some £3.4m on planting and £3.7m on buildings, equipment and vehicles.

comment

A 35 per cent increase in rubber profits has cushioned HME against the weakness in cocoa and palm oil prices, as well as the effect of sterling's rise against the ringgit—which knocked close to £3m off profits. Rubber benefited not only from rising

prices and a higher yield, but also from a reduction in export duty which offset the slight duty increase on palm oil. The palm crop is good enough so far this year to absorb a degree of price weakness and rubber remains firm so the company's forecast, as ever, looks conservative.

Yesterday's price of 166p values the company's plantations at around £700 ringgits per acre which is by no means excessive, even if the continuing uncertainty over "Malaysianisation" places a question mark against the estimated value. The dividend has been increased despite the weak cover and fall in attributable earnings. It produces a yield of 7.1 per cent.

R. Douglas pays more

Taxable profits of Robert M. Douglas, civil engineer, builder and contractor, rose in the year to March 31, 1980, from £2.88m to £3.27m despite a setback at midyear from £1.65m to £1.15m. Turnover for the year increased to £93.28m, against £70.1m.

After tax for the 12 months of £1.39m (£768,000) and an extraordinary debit of £170,261 (£185,460), attributable profit shows a drop from £2.04m to £1.7m.

A final dividend of 3.4p makes a total of 4.5p net, which compares with 4.185p last time. Earnings per 25p share are given as 18.6p (21.5p) and asset value per share is shown as 212p

Nurdin and Peacock moves ahead £0.4m

TAXABLE PROFITS of Nurdin and Peacock, car and car parts wholesaler, increased from £23.2m to £27.1m for the half year to June 28, 1980, on higher turnover of £157.55m, compared with £129.79m.

Mr. W. M. Peacock, the chairman, says results are excellent for the full year. Since the end of June the increase has averaged 24 per cent, although this compares with a poor background of sales last year in the aftermath of the June budget.

Last year's sales totalled £261.25m and pre-tax profits came out at £7.05m.

This year, the mix of sales has shifted in favour of consumable goods. For this reason and the generally volatile nature of the market place, the chairman says it is even more difficult than usual to forecast the likely profits outcome for the second half.

He remains hopeful, however, that last year's profits total will be exceeded, although much depends on the important period between now and Christmas. £436,000 (£508,000) leaving net profits up from £1.81m to £2.27m. The interim dividend is raised from 1.5p to 1.875p net—last year's final was 2.1p.

The building of the company's new branch at Cardiff is on schedule and is expected to be operational in the first half of next year. Contracts have been exchanged for the purchase of a

site between Coventry and Nuneaton.

comment

As ever Nurdin's results are nothing if not solid. Sales in the first half are up by 21 per cent taking in volume growth of around 8 per cent. Profits have risen over 16 per cent showing a small decline in margins which can be attributed to a slight change in the sales mix to lower margin consumable goods, initial losses on its Luton branch opened in May and inevitable competitive pressures. On the other hand interest receivable is up by 10 to 12 per cent—the last accounts showed cash of over £15m. Retailing customers are probably more important than the catering trade overall and so far, so good. The declining role of the independents in the face of supermarkets has been a cause of concern. However the hyper-market concept is rebounding on the high street supermarkets and Nurdin feels the smaller independents are feeling a little more happy despite the pressures on retailing generally. Christmas is, of course, all important to the second half but the year could produce about 55m pre-tax. A fully taxed prospective p/a of nearly 13 at 174p and yield of 3.7 per cent (taking a line through the interim) is not cheap but the company's record and reputation sustains the price.

Jones & Shipman higher

REPORTING A modest improvement in first-half 1980 taxable profits from £1.27m to £1.36m, Mr. F. W. Brooks, the chairman of A. A. Jones and Shipman, maker of high precision machine tools, says that trading conditions have dramatically altered since his annual statement made in April.

The level of incoming orders from the home market has fallen drastically and there are no signs of an early improvement. Some overseas markets are quite buoyant, but in others the combined impact of UK inflation and the strong pound is affecting sales.

Profit margins are being reduced where necessary in an endeavour to remain competitive.

The company's outstanding order book is being eroded but currently provides a reasonable work load for the remainder of the year, the chairman states.

Turnover for the first six months advanced from £9.74m to £11.21m.

After tax of £323,000 (£362,000) earnings per 25p share rose by 0.8p to 11.3p. The net interim dividend is effectively improved from 0.925p to 1p—last year's total was an adjusted 3.525p.

The year we arrived in Britain

Kodak's Brownie box camera was the rage, Harrods' caviare was 12/6d a jar and Logie Baird had a good idea.

In 1922 when Bankers Trust opened in London, television was still a twinkle in Logie Baird's eye and only the shrewd could have guessed that Kodak's popular little box heralded the vast range of sophisticated pocket cameras we have today. Or seen that Harrods would extend its already enviable reputation in Britain worldwide.

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DEREK CROUCH

LIMITED

Interim Report for the Half Year to 30th June, 1980

	1980 First six months	1979 First six months	Year
	£'000	£'000	£'000
Turnover	30,247	23,158	51,474
Earnings before Tax and Interest	2,255	1,699	2,999
Interest Payable	1,074	674	1,613
Earnings before Tax	1,181	1,025	1,386
Earnings after all Charges & Taxation	546	505	548
Dividends	158	143	446
Earnings per Share	5.83p	5.20p	5.84p

The Directors consider that the interim figures are satisfactory under the difficult trading conditions encountered.

High interest rates earlier in the year in the U.S. and throughout the period in the U.K., have resulted in increased borrowing costs.

The Directors recommend the payment of an interim dividend for 1980 of 1.63p (last year 1.4783p), payable on 31st October, 1980 to Shareholders on the register at 25th September, 1980.

The total amount payable to Shareholders is £158,097.

DEREK CROUCH LIMITED

Head Office: Peterborough PE6 7UW

Telephone: Peterborough (0733) 222341 Telex: 321229



Rothmans International Limited

In his Statement to Shareholders Sir David Nicolson, Chairman of Rothmans International Limited, made the following points:-

- * Overall sales higher with net revenue a record £981.8m.
- * Strength of the pound reduced profits expressed in sterling terms and affected value of exports leaving pre-tax profit at £80.5m.
- * Total dividend per share 3.11 pence.
- * Exports in current year show further increases, but strong pound continues to affect earnings.
- * Wide spread of interests and strength of combined resources give confidence in meeting the challenge of the future.

Interim Report

for half year ended 28 June 1980

carpets international

STATEMENT BY THE CHAIRMAN

We regard the loss for the half year to 28 June 1980 as both unsatisfactory and exceptional. As a result, no interim dividend has been declared.

Already much constructive work has been done to improve the Group's competitive position. The management organisation has been strengthened. In the UK, rationalisation of product manufacture is taking place on a planned basis and is on its way to reducing our factory floor space requirements by approximately 24%. The number of employees has decreased by over 1,000 in the current year to date, about one-sixth of the total payroll as it was in December 1978.

These measures will cut operating costs by at least £6m in a full year, although it has to be recognised that the non-recurring costs of redundancy and plant closures will affect our trading performance mainly in the current year and, to a lesser extent, in 1981.

By 1982, assuming that market conditions generally have not deteriorated - on the contrary, it is our belief that they are likely to improve - we see the foundations we are laying today as the firm basis for confirming our position in the British carpet manufacturing industry, not only as market leader in a wide range of products but also in terms of performance and profitability.

10 September 1980

J.M. CARPENTER

		Half year to 28 June 1980	Half year to 30 June 1979	Year to 29 December 1979
Turnover	£m	54.38	58.67	122.14
(Loss) Profit before taxation	£m	(4.67)	0.67	2.02

Carpets International Limited, Kidderminster, Worcestershire DY10 1AL



NURDIN LTD PEACOCK

THE Cash and Carry WHOLESALE

TURNOVER AND TRADING PROFIT FOR THE HALF YEAR ENDED 28th JUNE 1980

	28th June 1980	30th June 1979	52 weeks ended 29th Dec. 1979
Turnover	157,546,000	129,785,000	281,256,000
Trading Profit before Tax	2,706,000	2,322,000	7,053,000
Taxation	436,000	508,000	717,000
	2,270,000	1,814,000	6,336,000

The figures shown for the two half years are unaudited.

It is proposed to pay an interim dividend on the Ordinary Shares of 1.475p per share (1979-1.5p per share). This interim dividend is payable on 24th October, 1980, to members registered at close of business on 25th September, 1980.

I am glad to be able to report the increase in sales for the first half of this year and, subject to unforeseen circumstances, anticipate that we will achieve record sales again this year. The increase since the end of June has averaged 34% but it should be noted that this is against a poor background of sales last year in the aftermath of the June budget.

The mix of sales has shifted somewhat in favour of consumable goods, such as food, wines, spirits and cigarettes. For this reason and the generally volatile nature of the market place, it is even more difficult than usual to forecast the likely profits outcome for the second half, although I remain hopeful that we will exceed the total for last year. So much

W. M. PEACOCK, Chairman.

Head Office: Bushey Road, Raynes Park, SW20 0JJ Tel: 01-946 9111

BIDS AND DEALS

Starwest revises position after talks with Panel

BY ALAN FRIEDMAN

THE SAGA of Starwest's 120p cash bid offer for Gough Cooper, the housing estate developer and contractor, continued yesterday as Mr. Remo Dipre, the chairman of Starwest, sought to clarify his statement on Tuesday that he had "no intention of increasing the offer."

Starwest, the private company which acquired 29.5 per cent of Gough Cooper in a dawn raid on July 22 and then on Tuesday came out with a full-scale offer, revised its position yesterday after talks with the Takeover Panel.

Referring to newspaper reports yesterday, Starwest stated that "for the purpose of the Takeover Code we wish to make it clear that Starwest will take note of any additional information or changed circumstances of which we may become aware during the course of the offer and at such time will consider whether such additional information or changed circumstances would

justify an increase in the offer."

Mr. Dipre, Starwest's adviser at the Twentieth Century Banking Corporation, explained last night that when Mr. Dipre had said he had no intention of increasing the offer, "he didn't realise that it was a binding statement under the Takeover Code."

"At the time the man was under pressure from our advisers," Mr. Dipre said, "he was not in a position to make a statement."

Mr. Bancroft said that he realised the implications of Mr. Dipre's statement yesterday morning and secured the approval of Mr. Richard Freeman, secretary of the Takeover Panel, to issue a statement clarifying the situation.

Mr. Freeman said that he had discussed the matter with Mr. Bancroft yesterday morning. "On the face of it people are usually bound by what they say unless they correct it pretty quickly," he said.

He explained that "a lot of confusion surrounds the use of the word 'intention' and the situation is often clarified by the use of the phrase 'present intention' by the relevant director."

"Under Rule 22 of the Takeover Code, a statement of intention is binding, but corrections can be made immediately," he said.

Mr. Freeman noted that "one must be reasonable and give people at least a short amount of time to put things right." He said that in the case of confusion about Starwest's offer price, a day was the "limit" for clarifying matters.

Last night Mr. Bancroft made another revision of Mr. Dipre's statement and said that Starwest "has no present intention of increasing its offer."

The 120p offer values Gough Cooper at £9.4m in total. Gough Cooper shares closed at 123p yesterday.

Benlox talks with third party

Benlox Holdings, the building and contracting group, announced yesterday that it was engaged in talks which could result in a third party taking a substantial interest in the company. The shares responded with a 9p rise to a year's high of 42p, valuing the company at £883,000.

Benlox, which is involved in the training publishing and hire purchase business, has a 19 per cent shareholding in the company and is represented on the

Benlox Board by Mr. David Haynes, the Park Place director. Mr. Haynes joined the Board last October along with Mr. Dennis Barkway, chairman of Energy Finance and General Trust, the financial services group, and Mr. Simon Wharmby. The Benlox directors own 14 per cent of the capital; and Newsum Investments has a 5.7 per cent stake.

The company reported group

pre-tax profits up from £12.116 to £40,753 for the year ended February 28, 1980. At the time of the £0.2m rights issue last October the directors announced that the group was diversifying into DIY, garden and patio furniture and a new division had been formed to promote this range.

The company said yesterday that the talks with the third party were at an early stage.

Asil Nadir named as Cornell's suitor

The man behind the mystery bid, or possible bid, for the loss-making Cornell Dresses of East London was revealed yesterday as Mr. Asil Nadir, who started the Wearwell clothing group and bought a controlling stake in fashion company Polly Peck

earlier this year. Mr. Nadir has an option until November 28 on 1.7m shares of Cornell, or 57 per cent of the total. These have been pledged to his wife and two children, family and trusts.

But the company's thinly

traded shares continued to soar yesterday, adding a further 16p to 76p, giving it a market capitalisation of nearly £2.5m. This was the highest price for the £370,000 which an offer from Mr. Nadir would cost.

Pennine in £600,000 petrol stations deal

Pennine Commercial Holdings, the fast expanding property and motor distribution company, is adding a chain of 11 petrol stations to its growing list of acquisitions.

The petrol stations, currently trading under the Magnum name, are to be acquired from Link Garage Group for £600,000. This is to be satisfied by the issue of 5m ordinary shares (19 per cent of the enlarged Pennine entity).

The properties, based in the North West and Yorkshire, currently have a turnover of around £5m per annum. The

value of the freehold and leasehold interests to be acquired is over £600,000.

The petrol stations will form a new division, Pennine Oil, which will immediately be augmented by a further site already in Pennine's ownership.

This latest share issue which brings to 14.4m the number of shares issued by Pennine since the launch of July 1979 takes the group's capital up to £2.61m in 10p shares. The shares rose to 141p, the year's high, yesterday valuing the equity at £3.8m.

It was last Friday that Cornell said Azania Investment (Jersey) was considering making or procuring the making of an offer for all the shares at 19p each. Cornell emphasised then, however, that Azania was not committed to making a bid at 19p or any other price.

Yesterday, Mr. Nadir said: "I personally will not be involved in Cornell at all." He declined, though, to elaborate on his plans for Cornell, in which ITC Pension Trust owns nearly 7 per cent and Midland Bank (Overseas) Nominees, which he said represent Spanish investors, nearly a tenth.

MINING NEWS

Minorco boosts profits and pays 16c final

BY KENNETH MARSTON, MINING EDITOR

SHARPLY increased revenue for the year to June 30 is reported by the Anglo American Corporation group's Bermuda-registered natural resources investment concern, Minerals and Resources Corporation (Minorco).

Net earnings have climbed to US\$114.8m (£47.7m) from \$34.4m in the previous year. In line with expectations the final dividend is lifted to 16 cents (6.5p), making a total of 30 cents against 12 cents for 1978-79.

As part of last year's restructuring of Charter Consolidated the latter gave to its shareholders part of its holding in

Minorco on a one-for-four basis. Charter also offered to buy the Minorco shares back at the time for the equivalent of about 22p.

Those Charter holders who decided to keep their Minorco shares made the right decision because the price yesterday rose 30p to 45p. Charter still has a holding of 14.7 per cent in Minorco which, under the restructuring scheme, acquired Charter's 10 per cent holding in Anglo American Investment Trust (diamonds).

Minorco's major investment is a stake of 28.4 per cent in the U.S. Engelhard Minerals and Chemicals Corporation. Other

investments include a 49.9 per cent holding in Zambia Copper Investments which, in turn, holds just under 40 per cent in the Zambian Nchanga Consolidated Copper Mines and 9.8 per cent in Roan Consolidated Mines.

Zambia Copper Investments is returning to the dividend list with a payment of 5 cents. It reports a loss of \$1.79m, compared with a loss of \$1.81m a year ago, but this is after writing off loans of \$5.37m to Botswana RST, ZCI and Minorco have since been relieved of their obligations to the Botswana project.

Rangers' A\$57m flotation

THE VEHICLE formed to develop the Ranger uranium deposit in Australia's Northern Territory. Energy Resources of Australia (ERA), plans to offer 57.5m shares to the Australian public at 100 cents (48.8p) a share.

It will be the largest flotation in Australia, although there have been bigger equity raisings by major groups, such as the steel and oil giant Broken Hill Proprietary, reports James Forth from Sydney.

ERA will have a paid capital of A\$410m (£200m) in A\$1 shares, with the Ranger discoveries. Peko-Wallend and EZ Industries each holding 30.5 per cent of the capital. Three West German groups and four Japanese groups will hold the remaining 14 per cent.

Ranger is on schedule to start uranium production in October 1981 and expects to pay a modest dividend for the period to June 1982 and 10 cents a share for the year to June 1983.

To comply with the Australian Government's wish for the possible Australian participation in Ranger the shares in the ERA float will be restricted to shareholders with an address in Australia. Underwriters to the issue are Australian share-brokers Ord Minnett, Potter Partners, J. B. Wernie and Son and Meares and Phillips.

ERA has agreed to distribute at least 35 per cent of its after-tax profits for the year to June 1982 and at least 75 per cent for subsequent years. This would

indicate a profit of A\$45m, or 13.3 cents a share.

When the Ranger project has developed a satisfactory cash flow and reduced some of its project loans the company will explore for other possible energy and mineral resource development in Australia, including uranium and possibly oil and natural gas.

ERA has already negotiated project loans of A\$337m of which A\$218m is to be provided by a consortium of Australian and overseas banks and A\$119m from Japan Australian Uranium Resources Development, owned by three Japanese utilities and the trading house, C. Itoh.

The capital 14.7 per cent in the ERA float of the Ranger project is estimated at A\$350m. The overall price tag is A\$570m, of which the Australian Government will receive A\$125m for the sale to ERA of its 50 per cent stake, and the Government-owned Australian Atomic Energy Commission A\$119m, representing its project costs.

Peko and EZ will each receive A\$183m for the sale of their 28.4 per cent stakes in Ranger. The higher price paid for the companies' interests, reflects their more favourable position in terms of financing and operating costs. The Government is committed to put up 72.5 per cent of the finance for only 50 per cent of the output.

The prospectus will draw attention to the Australian Labor Party's stated policy that it would repudiate any commitment of a non-Labor government relating to mining, processing or export of Australian uranium.

But the ERA directors apparently believe it is unlikely that any future Australian government would prevent the continuing operations of ERA and that any move against the company could do immeasurable damage to Australia's international standing and credit.

Peko and EZ said that, contrary to expectations, their shareholders would not receive a specific entitlement to ERA shares.

Peko also announced what appears likely to be a small, but rich, gold rebirth near its existing workings at Tennant Creek in the Northern Territory. Assays as high as 56 grammes gold in the tonne over a 16 metre section were reported. The ore body contains 200,000 tonnes averaging 18 grammes gold per tonne. The gold grades are generally supported by silver at about 12 grammes to the tonne. Peko is considering sinking a shaft to facilitate exploration at depth.

CASH OFFER FOR TANJONG TIN

Tien IK Enterprises (TIE) bought a further 22,000 Tanjong shares on September 10 at 120p a share from the Pahang Consolidated company. TIE now owns 677,000 Tanjong shares (45.4 per cent) and will now offer all Tanjong shareholders the remaining 808,000 shares. The shares were 118p in London yesterday.

Complex deal to boost Provincial balance sheet

SHAREHOLDERS of Provincial (formerly Provincial Landscapes) are to be asked to approve the purchase of their chairman's private interests and the placing of 5.5m shares with institutions to raise £2.2m.

If the complex transactions go through Provincial will be left with net tangible assets of £8.5m and borrowings of £2.2m compared with borrowings of £2.6m on net assets of £3.5m at present, according to its advisers, Barclays Merchant Bank.

Under the proposals Provincial will issue 10.5m new shares, worth £4.7m based on 45p shares, to Mr. Michael Ashcroft, the chairman, in return for control of his private company, Ashcroft Holdings.

Ashcroft Holdings has three main assets - an 11.3 per cent stake in Pritchard Services Group, which has been refused to give Mr. Ashcroft a seat on its board; 19.4 per cent (fully diluted) of Hawley Leisure, of which Mr. Ashcroft is chief executive; and 24.7 per cent of Provincial itself.

The market value of these investments is £8.5m but Ashcroft Holdings also has borrowings of £1.8m which Provincial would take over.

The shares Mr. Ashcroft would receive as the price for these investments would give him 32.3 per cent of Provincial compared with the 25 per cent he now owns. The Takeover Panel has waived the need for him to make a full bid for the company.

The next stage of the transaction would be for Provincial to sell the 5.5m shares in itself which comprise Mr. Ashcroft's current holding. The shares have

already provisionally been placed with institutions at 40p per share. "Effectively raising total institutional holdings in Provincial to around 30 per cent."

The proceeds of the placing - £2.2m - would be used to reduce Provincial's gearing.

Mr. Ashcroft explained: "the transactions resting in terms of a tidying-up operation of his own interests and a strengthening of Provincial's balance sheet. The placing had been both cheaper and at a more attractive price than a rights issue, he said. He also said that the deal would have advantages for Hawley, which would now have a strong publicly quoted shareholder committed to 'maintaining' an interest of 20 per cent. This would prove a strong support for Hawley in the event of its expansion should it wish to issue equity for acquisitions."

Mr. Ashcroft is to remain as chairman and chief executive of Hawley.

Mr. Ashcroft admitted he was still interested in St. George's Laundry for which Provincial launched an unsuccessful bid last year. Provincial ended up with 16 per cent of St. George's which this week announced a restructuring of the majority shareholdings.

Mr. Ashcroft said he hoped to have "a chat" with the new directors of St. George's about "areas of compatibility."

The market barely reacted to the proposals. Hawley Leisure shares rose 1 1/2p to 42 1/2p. Pritchard's by 1p to 90p and St. George's and Provincial's remained unchanged at 66p and 45p respectively.

Mr. Nassar lifts Bisichi holding

Mr. Edward Nassar, the financier, and his associates have lifted their stake in Bisichi Tin from 7.7 per cent to 11.4 per cent. This follows an increase in the shares held from 504,500 to 744,500. London and Associated Investment Trust is a major shareholder in the company with 2,469,220 shares - equal to 37.8 per cent.

Mr. Nassar also announces an interest of 317,000 shares in Ex-Lands. This represents a holding of 7.1 per cent. Major holders in this company are Kwahu Company with a 26.25 per cent stake and Western Selection and Development with 16.93 per cent.

Both Bisichi and Ex-Lands are former Nigerian tin mining companies. Bisichi's income is now derived from trading in metals

and minerals while Ex-Lands is an investment trust with its income arising from dividends and interest.

STROUD RILEY

Mr. Harvey Ross, the Yorkshire gold investment and coin dealer, has increased his stake in Stroud Riley Drummond, the Bradford textile group, from 16.5 per cent to 17.6 per cent. Mr. Ross has bought a further 40,000 shares taking his holding up to 621,498 shares.

Mr. Stefan Simmonds, a Bradford businessman and managing director of Stroud Riley, holds 28.7 per cent of the Stroud Riley capital, through his privately owned Simco Supermarkets.

LONDON TRADED OPTIONS

Option	Ex-ante closing price, offer	Vol.	Closing offer	Vol.	Closing offer	Vol.	Equity close
BP	360	17	35	25	54	1	361p
BP	420	1	41	2	41	1	420p
BP	480	1	47	2	47	1	480p
Com. Union	140	39	38	43	10	48	178p
Com. Union	120	19	40	15	60	21	120p
Com. Union	180	7	17	6	17	1	180p
Com. Gold	460	123	6	133	6	98	475p
Com. Gold	510	145	6	78	6	98	510p
Com. Gold	560	21	58	47	61	15	560p
Courtauld	60	6	1	10	12	15	60p
Courtauld	140	1	1	1	1	1	140p
GEC	360	142	2	12	30	122	360p
GEC	400	75	3	102	36	122	400p
GEC	460	48	89	70	8	122	460p
GEC	500	14	59	39	60	10	500p
Grand Met.	120	41	4	47	1	1	120p
Grand Met.	130	31	2	38	1	1	130p
Grand Met.	140	25	30	30	1	22	140p
Grand Met.	160	1	25	15	6	34	160p
Grand Met.	180	1	25	15	6	34	180p
ICI	350	15	3	35	40	87	350p
ICI	380	4	3	3	3	3	380p
ICI	420	3	10	1	1	1	420p
Land Sec.	325	76	4	91	4	1	325p
Land Sec.	350	15	1	2	1	1	350p
Land Sec.	375	19	67	40	56	2	375p
Marks & Sp.	80	25	2	32	2	2	80p
Marks & Sp.	90	15	25	3	2	2	90p
Marks & Sp.	100	10	23	15	2	2	100p
Marks & Sp.	110	5	42	10	55	15	110p
Marks & Sp.	120	5	42	10	55	15	120p
Shell	420	19	15	26	22	60	420p
Shell	460	7	21	13	26	47	460p
Totals			876	410			
Imperial Oil	80	9	24	14	15	5	86p
Imperial Oil	90	4	1	2	9	20	90p
Imperial Oil	100	1	1	1	1	1	100p
Imperial Oil	110	1	1	1	1	1	110p
Imperial Oil	120	1	1	1	1	1	120p
P. & O.	110	16	2	18	3	1	110p
P. & O.	120	12	2	12	1	1	120p
P. & O.	130	5	25	8	15	1	130p
P. & O.	140	2	10	5	10	1	140p
Racal Elec.	280	6	1	1	1	1	280p
Racal Elec.	300	51	1	66	45	70	300p
Racal Elec.	320	19	48	1	61	1	320p
Racal Elec.	340	1	1	1	1	1	340p
RTZ	500	24	42	48	1	1	500p
Totals		301	181	68	35		

FRANCIS PARKER

Francis Parker Limited announce their results for the six months period to 30th June, 1980.

	6 months ended 30.6.80 (unaudited)	6 months ended 30.6.79 (unaudited)
Group Turnover	£'000 11,200	£'000 9,620
Profit before Interest and Taxation	1,410	988
Interest	1,061	811
Group Profit before Taxation	349	177
Taxation charge	12	3
Group Profit after Taxation for period	337	174
Earnings per Ordinary Share	7.31p	0.67p

The Chairman, Mr. R. K. Francis, says: "I am pleased with the improvement in the performance of the trading companies compared with the corresponding period last year, but am very concerned at the deteriorating economic situation, which, linked with persistently high interest rates, makes it unlikely that this rate of progress will be maintained in the second half."

The Directors have decided not to recommend the payment of an Interim Dividend.

FRANCIS PARKER LIMITED
Head Office: Francis House, Shopwyke Road, Chilchew, Sussex.

مكتبة النور

Companies and Markets

UK COMPANY NEWS

Danae Inv. board wins time

Danae Investment Trust, a small split capital investment trust, managed to keep its board intact at yesterday's annual meeting, sidestepping a motion by dissident shareholders to replace two directors by adjourning the proceedings until October.

By this time, however, both sides may have reached agreement on additions to the board and on future capital and investment policy during talks due to start next week.

On a show of hands, the two directors, Mr. Stephen Cockburn and Mr. John Edgely, were narrowly re-elected. But Mr. Gerald Bowyer-Tagg, a partner in stockbrokers Norman Collins, requested a poll and the meeting was adjourned until next month.

Together with Martin Management Company, which is privately owned, Norman Collins wanted the two directors replaced because of dissatisfaction with the performance of the trust, which is divided into income and capital shares. In the annual 31st March 1980, the portfolio fell by 11.3 per cent; as a result of the trust's gearing, asset value dropped 15.1 per cent.

They wanted the directors replaced by Mr. Bowyer-Tagg and Mr. Brendan Gilliat-Smith of Martin. Mr. Bowyer-Tagg was in fact invited on to the board on Tuesday, but declined because the other directors would have stayed on and the invitation was not extended to Mr. Gilliat-Smith.

Marlin and Norman Collins represent about 30 per cent of the voting shares. Their dissatisfaction stems from what they see as the over-reliance on a drop from present high interest rates to produce improved growth and the slowness in switching more investment into equities from fixed interest stocks.

The solution now being sought between the two sides would probably lead to additions to the board along with the issue of more shares, the par value having initially been reduced so as to facilitate a quicker move into equities. Mr. Cockburn said it was really a question of timing, waiting until interest rates drop and capital values rise.

He said the adjournment provided a breathing space; some institutions' holders of income shares would have been left out if a poll had been held yesterday due to the speed with which events had moved.

Midway rise for Banro

Pre-tax profits of Banro Consolidated Industries improved from \$552,982 to \$601,083 in the half year to June 30, 1980 and the directors feel the final result is likely to be satisfactory.

The interim dividend is held at 0.875p net—the total rise was 3p from pre-tax profits of £1.6m.

Principal activities of the group include framed windows, sections, pressings, motor car body components, continuous metal plating and electroplating applications for industry.

M&S reduces Canadian loss

DESPITE SALES of Marks and Spencer Canada Inc. rising by over 18 per cent during the 26 weeks to July 31, 1980, from C\$71.44m to C\$84.44m, the group still incurred a loss for the period of C\$2.63m, compared with a loss of C\$3.79m for the corresponding period.

The group's three stores all increased their turnover figures for the period—Marks and Spencer by 23.7 per cent from \$28.43m to \$35.15m; Peoples by 14.3 per cent to \$32.17m (\$28.13m); and d'Alaird's by 15.1 per cent to \$17.11m (\$14.86m).

But Marks and Spencer apart, whose loss was reduced to \$2.63m from \$3.79m, the other two stores' earnings fell back—Peoples from \$1.14m to \$884,000 and d'Alaird's from \$1.84m to \$1.7m.

There was a loss per Common share of 55 cents (79 cents) and the weighted average number of Common shares outstanding was 4,829,638 (4,783,892).

The interim dividend is five cents.

HAY'S WHARF

The Board of the Proprietors of Hay's Wharf has resolved to redeem all of the outstanding 91 per cent unsecured loan stock 1979-82 on December 31, 1980, at par plus accrued interest in accordance with the provisions of the trust deed.

Tilling £1.3m ahead so far

AFTER a sharp deterioration in business conditions in the UK during the second quarter, Thomas Tilling, industrial holding company, turned in pre-tax profits of £30.1m for the first half of 1980, £1.3m higher than for the corresponding period last year.

Trading performance in the first three months provided a good start to the year, says Sir Robert Taylor, chairman, but orders and sales fell below expectations in the second quarter as the effects of the recession were experienced in most trade sectors. In the U.S., however, trading in general remained good, he adds.

The directors are deferring payment of the interim dividend until January 2, 1981, which they say should reduce the tax charge for the current year. The dividend is increased from 3p to 3.5p net to compensate shareholders for the delay. In 1979, a total of 7p was paid from pre-tax profits of £31.1m.

Gross sales in the first six months rose by £184m to £814.1m. The profit is struck after interest charges up from

Portals first-half profit up 10%

PROFITS BEFORE tax of Portals Holdings rose 10 per cent from £4.51m to £4.98m in the first six months of 1980 and the interim dividend is being lifted from 4.25p to 4.75p. The total last year was 11p from pre-tax profits of £11m.

Weighted average earnings per share during the first half so far the group has been producing to near full capacity during this period.

Most of the companies in the water treatment and engineering division are finding it difficult to get orders. The directors feel the results are satisfactory in a difficult year and say the performance in the market place during the first six months gives a similar start to the second half.

The obtaining of orders is the main concern at the present time but, with so many companies in the same position, pressure on margins is inevitable, the Board says.

The group's liquidity, taking into account cash and available resources, is sufficient for present trading and planned growth.

The markets for the group's paper products, other than light increasingly difficult to avoid the worst effects of the recession but the position overseas is less worrying.

The pattern of profit earning in the property division will follow 1979 because the first half of the year shows a small increase in rental income and the second half will include the results from a successful property development. The final overall figures are expected to be in line with those for last year.

comment

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example of the slippery slope that the DIY sector has hit. Paint volume was down 11 per cent on the comparable period and wall-covering was 4 per cent lower. Overcapacity has hit both sectors but wallcovering has caused the greatest problems due to the amount of relatively cheaply acquired paper on the market.

Though the company says that its retail interests are having a reasonable time, DIY retailers as a whole are going through a very difficult period and it is hard to see Leyland's interests materially bucking the trend. Some 30 per cent of its manufacturing output goes to its own retail outlets—all the ships' paint and around 15 per cent of their wallpaper supplies.

Further slimming down of the workforce is at hand and Leyland is obviously trying to cut back but the second half is unlikely to hold anything exciting in store, though the company is evidently trading profitably again after a disastrous second quarter. At 28p Leyland is capitalised at £4.4m. Bid speculation of the company has dwindled but the price may hold on hopes of the new management breathing some life into the p and l account.

F & C EUROTRUST

Pre-tax income of F and C Eurotrust rose to £218 for the year to June 30, 1980, compared with £175,914. The tax charge was £112,780, against £84,695 last time.

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Lower lead prices have contributed to a squeeze on margins businesses of Lead Industries, not helped by a decline in volume. However, a better performance in paints, due to strength in Europe, together with the contribution from acquisitions in the U.S., has pushed up trading profits 294 per cent after current cost depreciation. After higher financing caused by acquisitions pre-tax profits are unchanged. But in the second half there may be quite a sharp drop from the associate, Thixide Group, which may bring overall pre-tax profits down to about £17m for the full year, against £20.3m. At 160p yesterday the prospective p/e is about 8, fully taxed and after historic depreciation. The historic yield is nearly 9 per cent.

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BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interim—Allen Harvey and Ross, Bridon, Hapworth Ceramic, Highcroft Investment Trust, Lyon and Lyon, Magnolia (Mouldings), Prudential Corporation, Readymade Investment Trust, Schredders, Sadgwick, George Spencer, Turner and Newall, United Biscuits.

Finals—Coronation Syndicate, Guinness Peat, Harmony Gold Mining, Maynards, Twinstone United Collarage.

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FUTURE DATES

Interim—Alva Investment Trust, Baird (William), Barlow Holdings, Beeston Clark, Bondi Polo and Paper, Desauter Brothers, Edinburgh Investment Trust, Expanded Metal, Hosking and Morton, I.D.C., Legal and General, Polcom, Richard Wainwright, Rowntree Mackintosh, Rowntree Hotels, Richmond, United Newspaper, Wata Black Borne.

Finals—Australia and Internat. Tel. Sept. 17, Odeley Sept. 17, Episcopa Sept. 17, Gelliford Shindley Sept. 25, M.T.D. (Mangula) Oct. 30.

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shares in satisfaction of acquisitions.

Since the beginning of the year, the group has acquired Glasgow Electric Company of St. Louis, Missouri and Electric Supplies Distribution Company of San Diego, California in the industrial equipment distribution sector, and Badger Northland, of Kaukauna, Wisconsin in the engineering sector. Other, smaller acquisitions in the UK and U.S. have strengthened the builders' materials and construction materials and services, engineering, medical supplies and publishing sectors, say the directors.

These acquisitions cost a total of £32.2m, satisfied by the issue of 1,397,000 Tilling ordinary shares and the balance in cash, financed largely by medium term dollar loans.

Based on their latest annual accounts, the total net tangible assets of the acquisitions amounted to approximately £25.2m and their aggregate profits before tax £4.3m.

Lex, Back Page

contribution from the water treatment and engineering division. The papermaking side is booming, improving its sales and its margins. Portals is benefiting more than expected from increasing competition in the worldwide travellers cheque business and this has led to the decision to build a \$15m security paper mill in the U.S. The outlook for the rest of the year is mixed but water treatment should do a little better as the distortion of advanced invoicing works out and the tax charge will be lower. The group's pre-tax profit could end up 12 per cent higher at £12.3m. The thinly traded shares jumped 20p to 400p yesterday where the prospective p/e fully taxed is a much improved 12.3 and the yield is 4.4 per cent.

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Companies and Markets

INTL. COMPANIES & FINANCE

Tchibo buys dominant interest in Reemtsma

By Roger Boyes in Bonn

TCHIBO, one of West Germany's major coffee importers and retailers, has acquired a dominant interest in Reemtsma, the country's leading tobacco group, for an undisclosed sum.

The Tchibo purchase is the first major move in the highly competitive German tobacco market for more than a decade. Under the purchase agreement signed on Tuesday, Herr Jan Philipp Reemtsma has sold his 53 per cent stake in the group to Tchibo and to Frau Ingeborg Herz, whose family has strong interests in the coffee concern.

The Tchibo share, according to the company, is "significantly" under 50 per cent of Reemtsma, with Frau Herz taking the remainder of the stake.

Reemtsma, with its 31 per cent share of the German tobacco market, stresses that the purchase will not have an effect on the company's overall strategy. Its principal brands—Stuyvesant, Ernte 23, Reval and R6—will remain.

Tchibo has no other tobacco interests but the purchase will still have to be approved by the Federal Cartel Office, as well as Reemtsma's other shareholders. Neither company expects to meet any problem with the cartel office.

Herr Reemtsma, who is 29, has been wanting to get out of the tobacco industry for some time and to acquire other industrial holdings but under the terms of his inheritance from his father until recently he has not been able to sell his share.

Reemtsma, which also has interests in beer production, had a turnover of almost DM 6bn (\$1.69bn) last year after cigarette tax was deducted. Of the pre-tax turnover of DM 6.3bn, cigarettes account for DM 5.2bn and beer DM 1.1bn. Profit for 1979 was DM 92m after tax.

Interfood lifts consolidated profit 5.7%

By Our Financial Staff

INTERFOOD, the Swiss food and chocolate group, lifted its 1979 consolidated worldwide profit by 5.7 per cent from SwFr 13.26m to SwFr 14m (\$8.6m), its annual report showed. The group's turnover totalled SwFr 1.36bn compared with SwFr 1.17bn previously.

The consolidated figures include the results of Interfood's subsidiaries as at December 31 but the income and expenses of the parent company for its financial year to March 31.

Interfood said that the acquisition of Andy's Candies, a U.S. chocolate producer, was completed in June. The acquisition of the company, which has annual sales of around \$21m, marks the Swiss group's first entry into the U.S. market.

VMF-Stork sees reduced loss after better first half

BY CHARLES BATCHELOR IN AMSTERDAM

VMF-STORK, the troubled Dutch engineering group, expects to reduce its loss this year after an improvement in the first half. However, this forecast does not take into account the cost of the continuing restructuring of the company, which will partly depend on the extent of Government aid.

The company cut its net loss in the period to mid-June to Fl 14m (\$7.2m) from Fl 18m in the same period of 1979. VMF-Stork's share in the loss of the Diesel engine division, Stork Works Diesel, which is included in this figure, was cut to Fl 2.5m from Fl 4m. VMF-Stork owns a little less than half

of Werkspoor Diesel since the state holding was increased in 1978.

Provisions to meet the cost of restructuring will be made in the second half of the year and will depend to an extent on the size of government support. In 1979 Fl 3m of provisions were made in the first half, taking the total loss to Fl 21m.

VMF-Stork booked Fl 1.15bn (\$593m) of new orders in the first half of 1980, an increase of nearly 10 per cent over the same 1979 period. It described price levels for these orders as "satisfactory."

The company recorded a gross operating profit of Fl 28.8m compared with a profit

of Fl 22.8m last time. After allowing for a decline in depreciation and lower licence income but for higher research and development spending, the net operating result was a profit of Fl 200,000 compared with a loss of Fl 6.2m.

Interest charges more than doubled to Fl 5.3m while the profit of non-consolidated companies was more than halved to Fl 1.7m from Fl 3.7m.

VMF-Stork posted a net loss of Fl 18.8m in the whole of 1979. Restructuring costs of Fl 3m and provisions for political risks amounting to Fl 15.5m increased the total loss to Fl 37.3m.

UK problems hit Dutch builder

BY OUR AMSTERDAM CORRESPONDENT

THE LARGEST Dutch construction company, Hochtief, expects profits to fall this year largely because of the disappointing performance of its British subsidiary.

Hochtief's UK operations are grouped under Edmund Nuttall Holdings, a tunnelling contractor which was acquired for \$5m in 1978. It gave no details of the problems in the UK.

The Dutch company expects net profits of around Fl 50m (\$26m) this year compared with Fl 57.1m in 1979 and its earlier forecast of "stable earnings" in 1980. Despite the generally depressed state of project development work this will have only a slightly adverse effect on profits.

Hochtief expects turnover of Fl 2.9bn (\$1.5bn) this year, slightly up on the Fl 2.8bn last time and after sales of

about Fl 1.4bn in the first half. The company's order book also amounted to Fl 2.9bn at the end of the first half and is expected to remain at about this level by the year end on the basis of likely new contracts.

The company's liquidity has declined as a result of extensive investments in equipment for a series of new works but this was not a cause for concern, Hochtief said.

Lafarge and National Gypsum in joint venture

By David White in Paris

LAFARGE, the French cement group, is reorganising its plaster business in collaboration with National Gypsum of the U.S. in an attempt to become the leading European concern in the sector.

Lafarge's subsidiary, Platrières de France, is to become part of a joint venture operation, Pregyp, in which National Gypsum holds a 40 per cent stake.

The Dallas-based company is to inject \$25m in cash into the business, in exchange for maintaining its stake. This is equivalent to Lafarge's investment in the plaster sector in 1978 and 1979, and compares with a combined turnover of FF 557m (\$134m) for the two subsidiaries last year.

Lafarge said that it was studying projects for reinforcing Pregyp's position in Europe. As a result of the reorganisation, Pregyp is claimed to be the only group producing the whole range of plaster products.

The agreement is the latest move in Lafarge's reappraisal of its non-cement interests, which it wants either to build up into internationally competitive units or to get rid of. It recently made a deal with St. Gobain-Pont-a-Mousson to pool interests in refractory products, and is selling off its big packaging business, Lafarge Emballages, to St. Gobain's paper-making subsidiary, La Cellulose du Pin. In April this year Lafarge bought out minority shareholders in Platrières de France, building up its stake to 95 per cent.

Cockerill wins loan from State agency

By Our Financial Staff

BELGIUM'S LARGEST steelmaker, Cockerill, has been granted a BFr 1.2bn (\$42m) loan by the state-supported financial institution, Société Nationale de Crédit à l'Industrie (SNCI).

The troubled steel group is believed to have needed the money to meet expenses for September and October but rejected conditions offered by private banks as "particularly difficult." It then turned to the state company which specialises in development loans to Belgian industry.

SNCI said it had agreed to provide the money over 15 years at 14 per cent. It has given Cockerill—in which the state has a stake of about 30 per cent—a five-year grace period and the interest rate is subject to revision every five years. SNCI said that the loan, decided in principle on Tuesday, would become official only "when all conditions are filled to the satisfaction of both parties."

In the last financial year Cockerill managed to reduce its losses sharply by BFr 1.79bn to BFr 4.36bn. This was after it had been announced that Cockerill would be receiving about BFr 22bn in state aid, of which the SNCI loan forms part.

Private Italian steelmaker plans capital increase

BY RUPERT CORNWELL IN ROME

FALCK, the private Milan-based Italian steel group, in which the powerful Italmobiliare group of Sig. Carlo Pesenti has a 25 per cent stake, is planning a capital increase and an issue of convertible bonds to strengthen its capital base.

The company intends to make a one-for-four issue of new L2,500 (\$2.96) shares to existing shareholders at par. This will lift capital from the present L49.5bn to L61.9bn (\$72.8m), and will represent the first increase in Falck's equity since 1972.

The rights issue comes after another profitable year in 1979 for the group. Sales rose to L445bn from L374bn at the parent company level, while net earnings again defied the general steel industry downturn to advance to L3.5bn from L2.4bn.

The improvement, moreover, was despite serious labour dis-

ruption last year, which cost Falck an estimated 100,000 tonnes of lost output.

A five-year convertible bond issue with a 13 per cent coupon is aimed at raising L13.6bn. Existing shareholders will be able to subscribe on the basis of three bonds for every eight shares held. The bonds can be exchanged for Falck shares on the basis of two shares for every three bonds held.

The proceeds of both capital increase and bond issues will help finance the ambitious L13.5bn investment programme of the group which is now in progress.

The strong trend in production has continued into the first half of this year. While overall Italian steel output is running 16 per cent ahead of 1979 levels, Falck has reported an 18 per cent volume increase during the period, while sales climbed by value almost 34 per cent.

Swedish metals group shows higher earnings

BY WESTERLY CHRISTNER IN STOCKHOLM

GRANGES, the Swedish metals and engineering group, which is being taken over by the Swedish domestic appliances group, Electrolux, reports pre-tax earnings of SKr 70m (\$17m) for the first half of this year, up from SKr 51m in the same period of 1979.

Group sales in the six months rose to SKr 30m (\$722m), against SKr 2.5bn.

For the whole of 1980, the forecast in July by Mr. Bo Abrahamsson, managing director, for pre-tax earnings of SKr 150m remains valid. The 1979 profit was SKr 123m. Mr. Abrahamsson said, however, that the forecast would hold true only if "there is no

marked deterioration in the state of trade."

A 1980 turnover forecast in May provided for a 30 per cent increase over 1979's SKr 5.16bn. No fresh forecast was given at the end of the half-year.

The forecast for the industrial companies, including Granges Aluminium, Granges Metallverken and Granges Kraft, is for unchanged earnings during 1980 compared with last year, while Granges Weda is likely to show a profit decline. "The industrial companies are going on the assumption that the second half of the year will bring a cyclical deterioration, bearing mainly on sales to the automotive industry," the group said.

First-quarter downturn at Esselte

By Our Financial Staff

FIRST-QUARTER group income of Esselte, the Swedish office supply group, dropped by SKr 23m to SKr 65m on sales only slightly ahead at about SKr 1bn (\$240m) compared with SKr 923m. The profit was after net interest charges.

Mr. Sven Wallgren, the managing director, said at the annual meeting that first quarter sales were not representative for the 12-month result, as the largest division, business systems, usually registered the larger portion of its sales during the second-half of the financial year. Sales within the business systems division during the April to June period amounted to SKr 595m, against SKr 519m during the same period last year.

For the year Esselte expects 1980-81 net income after net interest expense to be about 10 per cent lower than last year's SKr 305m. The downturn is forecast to result from lower demand in at least three of Esselte's key markets: Britain, the U.S. and West Germany.

The group also expects sales to reach SKr 4.88bn, a 17 per cent increase over last year. The business systems division is predicted to register annual sales of SKr 2.9bn, up from last year's SKr 2.4bn.

In addition, the first quarter profit was negatively affected by the labour conflict in Sweden in May and a port strike in June, it was stated.

This announcement appears as a matter of record only.

Northern Illinois Gas Company

Principal Subsidiary of



NICOR Inc.

U.S. \$25,000,000

Revolving Standby Credit

Arranged by

S. G. Warburg & Co. Ltd.

Provided by

Midland Bank Limited

The Bank of Nova Scotia
International (Curaçao) N.V.

Banque Belge Limited

Banco Urquijo Hispano Americano
LimitedSociété des Banques
S. G. Warburg et Lén

August, 1980

All of these securities have been sold. This announcement appears as a matter of record only.

September 9, 1980

NEW ISSUE

INN

U.S. \$50,000,000

INA OVERSEAS FINANCE N.V.

8 3/4% CONVERTIBLE SUBORDINATED DEBENTURES DUE SEPTEMBER 1, 2000

Convertible into Common Shares of, and Guaranteed on a Subordinated Basis as to
Payment of Principal, Premium, if any, and Interest by,

INA CORPORATION

Blyth Eastman Paine Webber

International Limited

Amsterdam-Rotterdam Bank N.V.

Bank of America International

Banque Bruxelles Lambert S.A.

Banque de l'Indochine et de Suez

Credit Suisse First Boston

Deutsche Bank

Morgan Grenfell & Co.

Orion Bank

Swiss Bank Corporation International

Abu Dhabi Investment Company

Algemeine Bank Nederland N.V.

A. E. Ames & Co.

Arab Bank Investment Company

Arnhold & S. Bleichroeder Inc.

Bache Halsey Stuart Shields

Banca Commerciale Italiana

Banca del Gottardo

Banca Nazionale del Lavoro

Banco di Roma

Bankhaus Herzmann Lampe

Bank of Helsinki Ltd.

Bank Julius Baer International

Bank Gutzwiller, Kurz, Buegler (Overseas)

Bank Leu International Ltd., Nassau

Bank Mees & Hope NY

Banque Arabe et Internationale d'Investissement (B.A.I.I.)

Banque Française du Commerce Extérieur

Banque Générale du Luxembourg S.A.

Banque Internationale à Luxembourg S.A.

Banque de Neufville, Schumacher, Mallet

Banque de Paris et des Pays-Bas

Banque de Paris et des Pays-Bas (Suisse) S.A.

Banque Populaire Suisse S.A. Luxembourg

Banque Privée S.A.

Banque de l'Union Européenne

Baring Brothers & Co.

Bayerische Hypothek- und Wechsel-Bank

Bayerische Landesbank

Bayerische Vereinsbank

Berliner Handels- und Frankfurter Bank

Caisse Centrale des Banques Populaires

James Capel & Co.

Centrale Rabobank

Chase Manhattan

Citicorp International Group

Compagnie de Banque et d'Investissements (Underwriters) S.A.

Continental Illinois

Credit Commercial de France

Crédit Industriel d'Alsace et de Lorraine

Crédit Industriel et Commercial

Crédit du Nord

Den Danske Bank

Den norske Creditbank

The Development Bank of Singapore

Dillon, Read Overseas Corporation

Donaldson, Lufkin & Jenrette

Dresdner Bank

Euromobiliare S.p.A.

European Banking Company

Financor

Gefina International

Antony Gibbs Holdings Ltd.

Genossenschaftliche Zentralbank AG

Hambros Bank

Hessische Landesbank

HSH Sannal & Co.

Jardine Fleming & Company

Kansallis-Osake-Pankki

Kiddier, Peabody International

Kleinwort, Benson

Kreditbank N.V.

Kreditbank S.A. Luxembourg

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Lazard Brothers & Co.

Lloyds Bank International

Manufacturers Hanover

Marine Midland

Merck, Finck & Co.

Samuel Montagu & Co.

Morgan Guaranty Ltd.

Morgan Stanley International

Nederlandse Credietbank N.V.

Nesbitt, Thomson

Nomura Europe N.V.

Sal. Oppenheim jr. & Cie.

Peterbroeck, Van Campenhout & Cie.

Pierson, Holding & Pierson N.V.

Rothschild Bank AG

Salomon Brothers International

Scandinavian Bank

Shearson Loeb Rhoades International

Skandinaviska Enskilda Banken

N.V. Slavenburg's Bank

Smith Barney, Harris Upham & Co.

Société Générale

Société Générale de Banque S.A.

Sparbankerna

Strauss, Turnbull & Co.

Sumitomo Finance International

Tokai Kyowa Morgan Grenfell

Trinkaus & Burkhart

Union Bank of Switzerland (Securities)

J. Vautel & Co.

M. M. Warburg, Brinckmann, Wirts & Co.

S. G. Warburg & Co. Ltd.

Dean Witter Reynolds International

Wood Gundy

Westdeutsche Landesbank

NOTICE OF ISSUE

Application has been made to the Council of The Stock Exchange for the undermentioned
Stock to be admitted to the Official List.

THE YORK WATERWORKS COMPANY

(Incorporated in England on 14th May, 1946, by Special Act of Parliament.)

OFFER FOR SALE BY TENDER OF

£1,500,000

9 1/2 per cent. Redeemable Preference Stock, 1983

(which will mature for redemption at par on 30th September, 1983.)

Minimum Price of Issue—£100 per £100 of Stock

yielding at this price, together with the associated tax credit at the current rate, £13.57 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 (as amended in its application to the Company) of Part II of the First Schedule thereto. Under that paragraph, the required rate of dividend on the Ordinary Capital of the Company was 4 per cent, but, by the Trustee Investments (Water Companies) Order 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividends on the Stock will be at the rate of 9 1/2 per cent. per annum without deduction of tax. Under the imputation tax system, the associated tax credit at the current rate of advance corporation tax (97/100 of the distribution) is equal to a rate of 4 1/4 per cent. per annum.

A deposit of £10 per £100 nominal amount of Stock applied for must accompany each Tender, which must be sent to Deloitte Haskins & Sells, New Issues Department, P.O. Box 207, 128, Queen Victoria Street, London EC4P 4JX, in a sealed envelope marked "Tender for York Water Stock" so as to be received not later than 11 a.m. on Wednesday, 17th September, 1980. The balance of the purchase money will be payable on or before Monday, 29th September, 1980.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:—

Seymour, Pierce & Co.,
10, Old Jewry, London, EC2R 8EA.Barclays Bank Limited,
Mansion House Branch, St. Helen's Square, York YO1 1XB.

or from the Principal Office of the Company, Lendal Tower, York YO1 2DL.

All of these Securities have been sold. This announcement appears as a matter of record only.

\$115,000,000

International Harvester Overseas Finance Company N.V.

12¾ % Notes Due August 1, 1985

Payment of principal and interest unconditionally guaranteed by

International Harvester Credit Corporation

MORGAN STANLEY INTERNATIONAL

BANQUE NATIONALE DE PARIS

CONTINENTAL ILLINOIS

DEUTSCHE BANK

GOLDMAN SACHS INTERNATIONAL CORP.

LLOYDS BANK INTERNATIONAL

SOCIETE GENERALE DE BANQUE S.A.

UNION BANK OF SWITZERLAND (SECURITIES)

WESTDEUTSCHE LANDESBANK

GIROZENTRALE

CREDIT AGRICOLE

CREDIT SUISSE FIRST BOSTON

DRESDNER BANK

KLEINWOIT, BENSON

MORGAN GUARANTY LTD

ALGEMENE BANK NEDERLAND N.V.

RACHE HALSEY STUART SHIELDS

BANCA NAZIONALE DEL LAVORO

BANK OF TOKYO INTERNATIONAL

BANQUE BRUXELLES LAMBERT S.A.

BANQUE GENERALE DU LUXEMBOURG S.A.

BANQUE DE PARIS ET DES PAYS-BAS

BARING BROTHERS & CO.

CAISSE DES DEPOTS ET CONSIGNATIONS

CITICORP INTERNATIONAL GROUP

CREDITANSTALT-BANKVEREIN

DOMINION SECURITIES

FUJI INTERNATIONAL FINANCE

HESSISCHE LANDESBANK-GIROZENTRALE

IBJ INTERNATIONAL

KUHN LOEB LEHMAN BROTHERS

KUWAIT INTERNATIONAL INVESTMENT CO. S.A.

MERRILL LENCH INTERNATIONAL & CO.

THE NIKKO SECURITIES CO. (EUROPE) LTD.

PIERSON, HELDRING & PIERSON N.Y.

THE ROYAL BANK OF CANADA (LONDON)

SANWA BANK (UNDERWRITERS)

SCHWEIZERISCHE HYPOTHEKEN-UND HANDELSBANK

SMITH BARNEY, HARRIS UPHAM & CO.

SVENSKA HANDELSBANKEN

DEAN WITTER REYNOLDS INTERNATIONAL

AMSTERDAM-ROTTERDAM BANK N.V.

BANCA COMMERCIALE ITALIANA

BANCO DI ROMA

BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.I.I.)

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

BANQUE DE NEUFILIZE, SCHLUMBERGER, MALLET

BANQUE WORMS

BERLINER HANDELS-UND FRANKFURTER BANK

CHARTERHOUSE JAPET

COUNTY BANK

DAI-ICHI KANGYO INTERNATIONAL LIMITED

DREXEL BURNHAM LAMBERT

GROUPEMENT DES BANQUIERS PRIVES GENEVOIS

HILL SAMUEL & CO.

KIDDER, PEABODY INTERNATIONAL

KUWAIT FOREIGN TRADING, CONTRACTING & INVESTMENT CO. (S.A.K.)

KUWAIT INVESTMENT COMPANY (S.A.K.)

MITSUBISHI BANK (EUROPE) S.A.

NOMURA EUROPE N.Y.

ROTHSCHILD BANK AG

SCANDINAVIAN BANK

SOCIETE GENERALE

VEREINS-UND WESTBANK

WOOD GUNDY

B.S.I. UNDERWRITERS

BANCA DEL GOTTARDO

BANK MEES & HOPE NY

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

BANQUE DE NEUFILIZE, SCHLUMBERGER, MALLET

BARCLAYS INTERNATIONAL GROUP

CHEMICAL BANK INTERNATIONAL GROUP

CREDIT INDUSTRIEL ET COMMERCIAL

DAIWA EUROPE N.Y.

EUROMOBILIARE S.p.A.

HILL SAMUEL & CO.

KIDDER, PEABODY INTERNATIONAL

KUWAIT FOREIGN TRADING, CONTRACTING & INVESTMENT CO. (S.A.K.)

KUWAIT INVESTMENT COMPANY (S.A.K.)

MITSUBISHI BANK (EUROPE) S.A.

NOMURA EUROPE N.Y.

ROTHSCHILD BANK AG

SCANDINAVIAN BANK

SOCIETE GENERALE

VEREINS-UND WESTBANK

WOOD GUNDY

YAMAICHI INTERNATIONAL (EUROPE)

WARDLEY

YAMAICHI INTERNATIONAL (EUROPE)

September 8, 1980

Companies and Markets

INTL. COMPANIES & FINANCE

Haw Par well ahead in first six months

By Our Financial Staff

HAW PAR Brothers International, the Singapore based investment group, has released interim figures which appear to back up its prediction of a significant improvement in 1980 results over those of 1979. The company said group profit before tax, but after minorities, for the first half of 1980 was \$513.3m (U.S.\$ 6.3m), sharply higher than the \$38m of the same previous period.

Profit after extraordinary items came to \$525.78m for the six months against \$32.83m on turnover of (US\$70m), compared with \$592.28m. Parent company pre-tax profit was \$527,000 up from \$525,000.

Haw Par said the results were not comparable because the 1979 figures did not include any contribution from the appliance manufacturer Setron which was acquired by Haw Par in July 1979.

Also, because Haw Par is a holding company, its results depend primarily on payments of dividends by subsidiaries, which normally are received in the second half of the year. None the less, Haw Par said that all its major divisions showed improved profits while the losses of the marine division were reduced further.

Bahrain arm for Mitsubishi

TOKYO — Mitsubishi Corporation, a major Japanese trading house, is to set up a wholly-owned subsidiary in Bahrain on October 1.

Mitsubishi said the main functions of the subsidiary, called Mitsubishi Corporation (Middle East) E.C., will be collecting economic information and co-ordinating Mitsubishi's business activities in 11 Middle East countries, including Saudi Arabia, Iraq, Kuwait, and Iran. The subsidiary has been established in Bahrain because of its fast growth as a financial centre in the Middle East.

NIPPON DENSO has set up a wholly-owned subsidiary, Nippon Denso Compressor at an industrial complex in Parana, Brazil, to produce compressors for car air-conditioners. Capitalised at 21m cruzeiros, the subsidiary plans to produce 10,000 compressors a month from July 1982, employing 150 workers.

Decline at Argaman

By L. Daniel in Tel Aviv

ARGAMAN, one of Israel's largest textile combines, and a producer of textile machinery, reports that profitability declined significantly in 1979-1980. Consolidated pre-tax profit increased by only 27 per cent (as compared with a 1979 inflation rate of 111 per cent) to \$168m (\$1.4m) and net profit by 72 per cent to \$159.7m.

Turnover, including exports, came to \$1799m (\$16m). The company is to pay an unchanged cash dividend of 10 per cent and to make a scrip issue at a rate of 20 per cent compared with 100 per cent a year earlier.

Jardine Securities lifts earnings and dividend

BY PHILIP BOWRING IN HONG KONG

JARDINE SECURITIES, the investment holding company, has reported earnings after tax and minority interests for the year ending June of HK\$56.9m (U.S.\$11.5m) compared with HK\$52.5m for the previous year.

A final dividend of 36 cents is recommended making a total of 55 cents compared with 49 cents. A bonus issue of warrants is also being made on the basis of one warrant for every two

shares held, entitling holders to subscribe for one share at HK\$12 between January 1981 and December 1981. This compares with a net asset value per share at end June of HK\$16.9 and a current market price of HK\$12.9. The net asset value of the company at end-June was HK\$15.6m.

The board intends to change the company's accounting year to end-December. Thus the next accounting period will be of 18

months, during which two interim dividends will be paid.

The change will bring the company into line with its parent Jardine Matheson, which last year increased its stake in Jardine Securities so that it is now a subsidiary having previously been an associate.

Holders of the new warrants will be able to opt to hold them in bearer form after the initial distribution.

Advance by Hume Far East

BY GEORGIE LEE IN SINGAPORE

HUME INDUSTRIES (Far East) the Singapore and Malaysia construction material manufacturer has reported a 19 per cent rise in group profit for the year ended June. Group post tax profit rose to \$23.2m (U.S.\$ 13.3m) from \$23.7m in 1978-79, while at the post-tax level, group profit rose by 28 per cent to \$18.8m.

Group sales passed the \$200m mark for the first time, to reach a record \$208.1m

(U.S.\$95.8m), a rise of 25 per cent.

Hume, part of the Humes group of Australia, commented that the results were achieved in a year notable for high interest rates, rising wage bills, and escalating costs of energy, raw materials, and other items. Overall demand for the products of its operating companies had remained at a high level, but shortages of trained personnel and raw materials had been felt in some areas.

Orders in hand continued at a satisfactory high level, it was said, and there was no sign of a fall in demand for the group's products. The group expected further growth in earnings in the current year.

Hume has declared a 9 per cent final gross dividend and a 2.5 per cent bonus gross dividend. This makes a total of 17.5 per cent for the full year, after the inclusion of 6 per cent interim dividend already paid.

Slowdown for SA cable groups

BY JIM JONES IN JOHANNESBURG

TWO South African electric cable companies have reported interim results showing a modest rate of growth.

Aberdare, the 67 per cent-owned subsidiary of Philips, the Dutch electrical group, raised first-half pre-tax profits by 8.3 per cent to R57.9m (\$7.6m), from the R53.5m of the six months to June 30, 1979. In the same period, Scottish Cables, which is owned as to 58 per cent by BICC, increased its pre-tax income by 7.4 per cent to R3.09m (\$4.1m), from R2.88m.

The results come at a time when South African industry in general has been reporting solid expansion, and when the

country's industrial shares have hit records highs, though lately turning down.

Turnover at Aberdare was up 35.7 per cent to R28.5m (\$3.8m), from R21m, and compares with turnover of R47.6m for the whole of 1978-79, a year when pre-tax profits totalled R10.76m.

Mr. Robert Owen, the Aberdare deputy chairman, attributes the company's narrower margins to cost increases and a changing product range. Although he believes that demand will continue to rise, he feels that margins will remain under pressure. Aberdare, says Mr. Owen, is operating at about 70 per cent capacity in an industry which is currently characterised by excess capacity.

Aberdare has declared an unchanged 10 cents interim dividend from first-half earnings per share of 45 cents against 41 cents. For all 1979, total dividends of 82.5 cents were paid, including an extraordinary dividend of 50 cents, from earnings of 86 cents.

Scottish Cables has not revealed interim figures of turnover, which amounted to R41m during 1979, when a pre-tax profit of R8.24m was earned before LIFO (last in first out) accounting adjustments. An interim dividend of 4.5 cents, against 5.5 cents, has been declared from LIFO-adjusted, first-half earnings per share of 11.36 cents compared with 9.42 cents.

Premier Milling to cut liquor retailing interests

BY OUR JOHANNESBURG CORRESPONDENT

PREMIER MILLING, the R910m turnover diversified South African food group, which is 51 per cent owned by Associated British Foods, is to reduce its liquor retailing interests.

In a cash and preference share deal worth R2.2m (\$2.9m) plus extra for stock and valuation, Premier is selling nine retail liquor outlets to the Cape based Union Wine's 80 per cent owned subsidiary Picardi Hotels (Picotell).

Premier's move follows last November's rationalisation of South Africa's liquor industry, which, among other things, limited the number of retail outlets which could be controlled by any one group

Picotell however, was given a special dispensation allowing it to acquire 75 outlets in addition to the 54 it owned at the end of 1979.

The nine outlets now being acquired had a combined turnover of about R20m in the year to March 31, 1980.

Full details of the acquisition have yet to be announced, but Picotell is to fund its purchase in part through an issue of preference shares. The company says the acquisition is expected to increase Union Wine's 1981 group earnings by 6 cents a share, that compares with earnings of 27.44 cents in the year to June 30, 1980 on the company's 4.18m issued ordinary shares.

Midway rise for Guthrie Roper

By Wong Sulong in Kuala Lumpur

GUTHRIE ROPEL, the Malaysian incorporated, 60 per cent owned subsidiary of Guthrie Corporation, lifted pre-tax profit to 11.5m ringgit (\$5.6m) for the six months to end-June from 10.6m ringgit for the previous first half.

Satisfactory levels of output were achieved for rubber, palm oil, and palm kernels, and the group benefited from higher commodity prices in the early part of the year by forward selling.

However, second half earnings are expected to be affected by the weaker commodity prices. The interim dividend is maintained at 7 per cent.

This announcement appears as a matter of record only



Interconexión Eléctrica S.A.

US\$47,400,000
Medium Term Loan

Managed by

Samuel Montagu & Co. Limited

Midland Bank Limited

Orion Bank Limited

Co-Managed by

The Bank of Nova Scotia Group

Euro-Latinamerican Bank Limited

EULABANK

International Energy Bank Limited

Swiss Bank Corporation

Provided by

Midland Bank Limited

Samuel Montagu & Co. Limited

The Bank of Nova Scotia International Limited

Euro-Latinamerican Bank Limited

EULABANK

International Energy Bank Limited

Swiss Bank Corporation (Overseas) S.A.

Orion Bank Limited

International Commercial Bank Limited

Arab Latin American Bank

Banco de Bilbao, S.A.

Scandinavian Bank Limited

Crédit Chimique

Agent Bank

Samuel Montagu & Co. Limited

August 1980

This announcement appears as a matter of record only



Empresa de Energía Eléctrica de Bogotá

World Bank Co-Financing
for the Mesitas Hydro Electric Project

US\$ 22,900,000
Medium Term Loan

Jointly Arranged by

Lloyds Bank International

Limited

Agent Bank

Samuel Montagu & Co. Limited

Provided by

Lloyds Bank International (Bahamas) Limited

Samuel Montagu & Co. Limited

Banque Belge Limited/Société Générale de Banque S.A.

Midland Bank Limited

هكزا من الغزل

August 1980

BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	17 1/2 %
American Express Bk.	16 %	C. Hoare & Co.	17 1/2 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	16 1/2 %
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbutnot Latham	16 %	Knowles & Co. Ltd.	16 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
Bank of Credit & Commerce	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank of Korea	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16 1/2 %	■ National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Brennar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossmister	15 1/2 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 1/2 %
Cedar Holdings	16 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	16 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 1/2 %
Consolidated Credits	16 %	Twentieth Century Bk.	16 %
Co-operative Bank	16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16 1/2 %
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Winttrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 1/2 %
E. T. Trust Limited	16 %	■ Members of the Accepting Houses Committee.	
First Nat. Fin. Corp.	19 %	7-day deposits	14 1/2 %
First Nat. Secs. Ltd.	19 %	1-month deposits	14 1/2 %
Robert Fraser	16 %	1-day deposits on sums of £100,000 and under 14% up to £2,000	
Anthony Gibbs	16 %	14% and over £25,000	
Grange Community	16 %	Call deposits over £1,000	14 1/2 %
Grindlays Bank	16 %	■ Demand deposits	14 1/2 %
■ Guinness Mahou	16 %		

CURRENCIES, MONEY and GOLD

Pound steady

Sterling was unchanged on balance in currency markets yesterday. Rumours of a possible cut in MLR this Thursday had tended to depress the currency on Tuesday, but the reaction to Tuesday's banking figures may have been slightly overdone, and sterling improved yesterday on short covering. There was also a feeling that a cut of 1 per cent in MLR would still leave interest rates some way above Euro-dollar rates and would hardly impair sterling's relatively attractive position. On the Bank of England figures, the pound's trade weighted index finished unchanged at 76.0, having recovered from 75.8 in the morning to 76.0 at noon. Against the dollar it opened at \$2.4025-2.4035 and touched a low of \$2.3945-2.3955 on dollar demand, before coming back to a high for the day of \$2.4060-2.4070. It closed at \$2.4025-2.4035, a rise of just 25 points.

The dollar finished around the middle of the day's range in featureless trading, and showed a slight downward trend compared with Tuesday's closing levels. Against the D-mark it closed at DM 1.7785 from DM 1.7795 previously, and SwFr 1.6300 against SwFr 1.6320 in terms of the Swiss franc. The Japanese yen was also slightly firmer, with the U.S. dollar easing to ¥216.50 from ¥216.65. On Bank of England figures, the dollar's trade weighted index was unchanged at 83.6.

D-MARK—One of the weaker members of the European Monetary System of late, but showing signs of recovery against the dollar following doubts about the future trend in U.S. interest rates and Federal Reserve monetary policy ahead of the Presidential election—The

D-mark was mostly firmer in Frankfurt yesterday, improving against the dollar and sterling, as well as the Belgian franc and Danish krone. Sterling slipped to DM 4.2750 from DM 4.3020, and the Belgian franc was lower at Bfr 6.34 compared with Bfr 6.349. The Danish krone was fixed at DM 32.30 per Dkr 100 against DM 32.345. The dollar slipped to DM 1.7804 from DM 1.7806, and there was no intervention by the Bundesbank at the fixing.

FRENCH FRANC—Showing a weaker tendency within the EMS, and recently displaced at the top of the system by the Dutch guilder and Irish punt—the franc was unchanged on balance at the fixing in Paris yesterday, losing ground to the U.S. dollar and D-mark, but improving in terms of the Swiss franc and sterling. The dollar rose to FF 4.1335 from FF 4.1307, and the D-mark was higher at FF 2.3255 against FF 2.3257. On the other hand the Swiss franc was lower at Fr 2.5370 against Fr 2.5390, and sterling dropped to Fr 9.9475 from Fr 9.958.

JAPANESE YEN—Advancing steadily since the middle of last month, helped by the general weakness of the dollar, and the relatively successful fight against inflation, which allowed a cut in the central bank discount rate. The yen was slightly weaker against the dollar in Tokyo yesterday, with the U.S. dollar rising to ¥216.50 at the opening, and ¥216.25 at Tuesday's close. Early dollar demand pushed it to a high of ¥217.00, but it came back later in the day on some export cover-

THE POUND SPOT AND FORWARD

Sept. 10	Day's spread	Close	One month	Three months	Sept. 9
U.S.	2.3945-2.4070	2.4025-2.4035	1.32-1.22c pm	6.34 2.45-2.35 pm	3.39
Canada	2.7820-2.7855	2.7895-2.7905	1.82-1.52c pm	6.75 3.45-3.35 pm	4.87
Belgium	4.62-4.66	4.64-4.65	2-1 1/2c pm	5.16 6-5 1/2c pm	4.84
Denmark	36.20-36.70	36.50-36.55	20-18c pm	4.02 63-53c	3.38
Ireland	13.17-13.23	13.21-13.22	2-1 1/2c pm	3.02 12-14c	1.08
Italy	1.120-1.125	1.130-1.135	0.28-0.17c pm	2.27 0.48-0.38 pm	1.53
Netherlands	4.25-4.29	4.27-4.28	3-2 1/2c pm	8.07 8-7 pm	7.02
Portugal	178.25-178.70	178.55-178.55	30c pm-10c	1.01 25 pm-20c	1.02
Spain	175.00-175.50	175.35-175.45	80-70c	5.13 160-125	3.02
Sweden	2.025-2.034	2.032-2.033	6-8 1/2c pm	4.28 31-41c	2.87
Switzerland	11.52-11.59	11.57-11.58	3-2 1/2c pm	2.72 7-6 pm	2.23
France	8.89-8.96	8.92-8.93	4-3 1/2c pm	4.53 9-8 1/2c	3.23
Japan	518-522	520-521	1.55-1.15c pm	3.11 4.35-3.35 pm	3.15
Australia	30.15-30.35	30.27-30.32	15-10c pm	5.55 32-25 pm	3.78
South Africa	3.88-3.92	3.91-3.92	4-3c pm	10.72 10-9 1/2c	9.55

Belgian rate is for convertible francs. Financial franc 69.20-69.30. Six-month forward dollar 3.40-3.30c pm, 12-month 4.30-4.20c pm.

THE DOLLAR SPOT AND FORWARD

Sept. 10	Day's spread	Close	One month	Three months	Sept. 9
U.S.	2.3945-2.4070	2.4025-2.4035	1.32-1.22c pm	6.34 2.45-2.35 pm	3.39
Canada	2.7820-2.7855	2.7895-2.7905	1.82-1.52c pm	6.75 3.45-3.35 pm	4.87
Belgium	4.62-4.66	4.64-4.65	2-1 1/2c pm	5.16 6-5 1/2c pm	4.84
Denmark	36.20-36.70	36.50-36.55	20-18c pm	4.02 63-53c	3.38
Ireland	13.17-13.23	13.21-13.22	2-1 1/2c pm	3.02 12-14c	1.08
Italy	1.120-1.125	1.130-1.135	0.28-0.17c pm	2.27 0.48-0.38 pm	1.53
Netherlands	4.25-4.29	4.27-4.28	3-2 1/2c pm	8.07 8-7 pm	7.02
Portugal	178.25-178.70	178.55-178.55	30c pm-10c	1.01 25 pm-20c	1.02
Spain	175.00-175.50	175.35-175.45	80-70c	5.13 160-125	3.02
Sweden	2.025-2.034	2.032-2.033	6-8 1/2c pm	4.28 31-41c	2.87
Switzerland	11.52-11.59	11.57-11.58	3-2 1/2c pm	2.72 7-6 pm	2.23
France	8.89-8.96	8.92-8.93	4-3 1/2c pm	4.53 9-8 1/2c	3.23
Japan	518-522	520-521	1.55-1.15c pm	3.11 4.35-3.35 pm	3.15
Australia	30.15-30.35	30.27-30.32	15-10c pm	5.55 32-25 pm	3.78
South Africa	3.88-3.92	3.91-3.92	4-3c pm	10.72 10-9 1/2c	9.55

Belgian rate is for convertible francs. Financial franc 69.20-69.30. Six-month forward dollar 3.40-3.30c pm, 12-month 4.30-4.20c pm.

CURRENCY MOVEMENTS

Sept. 10	Bank of England	Morgan Guaranty	Sept. 9	Bank of England	Morgan Guaranty
Sterling	76.0	-30.0	Sterling	16	0.546050
U.S. dollar	83.6	-9.9	U.S. dollar	10	1.32247
Canadian dollar	15.3	-24.3	Canadian dollar	10.571	1.57784
Australian dollar	15.3	-24.3	Australian dollar	10.571	1.57784
Belgian franc	115.2	-13.6	Belgian franc	12	37.6308
Dutch guilder	154.7	-44.0	Dutch guilder	12	7.22387
French franc	198.5	-80.5	French franc	9	2.55512
Italian lira	101.3	-5.9	Italian lira	15	117.49
Japanese yen	216.5	-39.1	Japanese yen	6.35	286.183
Swiss franc	2.537	-0.15	Swiss franc	9	6.57777
South African rand	10.72	-0.15	South African rand	8	5.47757

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

OTHER CURRENCIES

Sept. 10	£	¢	Sept. 9	£	¢
Argentina peso	4596.4616	1916.1923	Argentina peso	4596.4616	1916.1923
Australia dollar	2.0580-2.0590	0.8548-0.8550	Australia dollar	2.0580-2.0590	0.8548-0.8550
Canada dollar	1.5184-1.5194	0.6848-0.6850	Canada dollar	1.5184-1.5194	0.6848-0.6850
Denmark krone	8.74-8.75	3.6325-3.6345	Denmark krone	8.74-8.75	3.6325-3.6345
Finland markka	11.11-11.12	4.20-4.21	Finland markka	11.11-11.12	4.20-4.21
Greek drachma	11.11-11.12	4.20-4.21	Greek drachma	11.11-11.12	4.20-4.21
Irish punt	11.11-11.12	4.20-4.21	Irish punt	11.11-11.12	4.20-4.21
Italian lira	11.11-11.12	4.20-4.21	Italian lira	11.11-11.12	4.20-4.21
Japanese yen	11.11-11.12	4.20-4.21	Japanese yen	11.11-11.12	4.20-4.21
Swiss franc	11.11-11.12	4.20-4.21	Swiss franc	11.11-11.12	4.20-4.21
South African rand	11.11-11.12	4.20-4.21	South African rand	11.11-11.12	4.20-4.21
U.S. dollar	11.11-11.12	4.20-4.21	U.S. dollar	11.11-11.12	4.20-4.21

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rate	Sept. 10	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian franc	39.7897	40.5520	+1.92	+0.75	+1.53
Danish krone	7.2238	7.3234	+1.41	+0.34	+1.44
French franc	2.4228	2.5224	+0.70	+0.12	+1.12
German mark	5.2470	5.3226	+0.60	-0.57	-1.357
Dutch guilder	2.7482	2.7484	+0.22	-0.34	-1.512
Irish punt	0.68291	0.68291	+0.42	-0.42	-0.42
Italian lira	117.79	120.21	+4.01	+2.90	+2.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Sept. 10	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	2.405	4.975	590.5	9.920	3.918	4.650	803.5	7.260	65.60
U.S. Dollar	0.416	1	1.779	216.5	4.138	1.650	1.855	946.0	1.161	28.55
Deutsche Mark	0.254	0.562	1	191.8	2.393	0.916	1.088	475.6	0.655	16.05
Japanese Yen	1.821	4.617	8.215	1000	19.08	7.528	8.934	390.6	5.360	131.9
French Franc	1.007	2.490	4.305	594.2	10	3.945	4.683	804.7	2.810	68.08
Swiss Franc	0.255	0.613	1.091	122.9	2.555	1	1.187	519.0	0.712	17.51
Dutch Guilder	0.215	0.517	0.919	111.9	2.135	0.842	1	457.2	0.600	14.75
Italian Lira	0.492	1.158	2.103	256.0	4.884	1.937	2.897	1000	1.372	33.74
Canadian Dollar	0.268	0.951	1.322	195.5	2.569	1.404	1.667	728.7	1	24.59
Belgian Franc	1.538	3.503	6.832	758.7	14.48	5.711	6.778	2984	4.067	100

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 10)

3 months U.S. dollars	6 months U.S. dollars
bid 11 1/16 offer 11 1/16	bid 11 1/16 offer 11 1/16

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Sept. 10	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
Short term	16 1/2-16 3/4	10 1/2-10 3/4	9-10	10 1/2-10 3/4	5 1/2-5 3/4	8 1/2-8 3/4	11 1/2-11 3/4	14-18	10 1/2-10 3/4	12-13 1/2
3 months	16 1/2-16 3/4	10 1/2-10 3/4	9-10	10 1/2-10 3/4	5 1/2-5 3/4	8 1/2-8 3/4	11 1/2-11 3/4	14-18	10 1/2-10 3/4	12-13 1/2
6 months	16 1/2-16 3/4	10 1/2-10 3/4	9-10	10 1/2-10 3/4	5 1/2-5 3/4	8 1/2-8 3/4	11 1/2-11 3/4	14-18	10 1/2-10 3/4	12-13 1/2
12 months	16 1/2-16 3/4	10 1/2-10 3/4	9-10	10 1/2-10 3/4	5 1/2-5 3/4	8 1/2-8 3/4	11 1/2-11 3/4	14-18	10 1/2-10 3/4	12-13 1/2
One Year	16 1/2-16 3/4	10 1/2-10 3/4	9-10	10 1/2-10 3/4	5 1/2-5 3/4	8 1/2-8 3/4	11 1/2-11 3/4	14-18	10 1/2-10 3/4	12-13 1/2

Long-term Eurodollar two years 12 1/2-12 3/4 per cent; three years 12 1/2-12 3/4 per cent; four years 12 1/2-12 3/4 per cent; five years 12 1/2-12 3/4 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-day's notice. Asian rates are closing rates in Singapore. The following nominal rates were quoted for London dollar certificates of deposit: one-month 10.50-10.80 per cent; three-months 11.25-11.35 per cent; six-months 11.55-11.65 per cent; one year 11.90-11.90 per cent.

INTERNATIONAL MONEY MARKET

Dutch rates steady

Dutch short term interest rates seem unlikely to show much change ahead of next week's announcement of the 1981 Budget and the Government's expected finance deficit. Although it has been officially forecast that the public sector deficit will fall to 5 1/2 per cent of national income from nearly 6 per cent this year it is generally expected that there will be little change in the amount of Government borrowing through the bond market.

Banks are still finding conditions fairly comfortable in the money market, and with 21 per cent of the central bank current quota period expired, only 13 per cent of the present facility has been used. Liquidity may become tighter in the coming month as tax payments fall due, but with the guilder very firm in the foreign exchange market, and particularly against its partners in the European Monetary System, the authorities are expected to give the necessary assistance.

Dutch call money was unchanged at 10 1/2 per cent yesterday, while one, three and six-month funds were also steady at 10 1/2-10 3/4 per cent, 10 1/2-10 3/4 per cent and 10 1/2-10 3/4 per cent.

In Frankfurt call money rose to 8.45-8.55 per cent from 8.40-

8.50 per cent, and one-month funds to 8.15-8.25 per cent from 8.10-8.20 per cent. Three-month funds were unchanged at 8.90-9.05 per cent, six-month at 8.65-8.80 per cent, and 12-month at 8.40-8.60 per cent.

UK MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980). Day-to-day credit remained in short supply in the London money market yesterday, and the authorities gave assistance by lending a moderate amount to four or five discount houses, overnight at Bank of England Minimum Lending Rate. There was moderate excess of Government outpayments over revenue payments to the Exchequer but this was outweighed by the unwinding of a moderate sale and repurchase agreement of bills, the repayment of the small amount borrowed on Tuesday, and settlement of small sales of gilt edged stock.

LONDON MONEY RATES

Sept. 10	Sterling	Interbank	Local Authority	Local Authority	Finance House	Company	Discount	Treasury	Eligible	Prime
Sept. 10	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2
Overnight	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2
7 days notice	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2
One month	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2
Three months	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2
Six months	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2
Nine months	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2
One Year	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2
Two years	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2	15-16 1/2

Local authority and finance houses given days' notice, others seven days' notice. Long-term local authority mortgage rates: one year 13 1/2-14 1/2 per cent; two years 13 1/2-14 1/2 per cent; three years 13 1/2-14 1/2 per cent; four years 13 1/2-14 1/2 per cent; five years 13 1/2-14 1/2 per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14 1/2-15 1/2 per cent; four-month trade bills 14 1/2-15 1/2 per cent. Approximate selling rate for one-month Treasury bills 14 1/2-15 1/2 per cent; two-months 14 1/2-15 1/2 per cent; three-months 14 1/2-15 1/2 per cent; six-months 14 1/2-15 1/2 per cent; one-year 14 1/2-15 1/2 per cent; two-years 14 1/2-15 1/2 per cent; three-years 14 1/2-15 1/

JOBS COLUMN

The new witchcraft—and how to defeat it

BY MICHAEL DIXON

WHEN breakfasting in hotels have you ever seen men, typically aged in their 40s, finish eating a soft-boiled egg and then turn it the other way up and drive their spoon through the bottom of it?

I have seen this happen several times, and know why it is done. It is a ritual learned in childhood from a poem published, no doubt among other places, in a *Wonder Book for Boys* during the 1830s. The opening verse read (I think):

Oh never leave your eggshells unbroken in the cup,
But think of us poor sailors
And always smash them up.
For witches come and find them
And sail them out to sea,
And make a lot of misery
For mariners like me.

It did not take me long to see that the devilry complained of threatened more than sailors. To a child, who had also read Kipling's *Big Steamers*—and if anyone hinders our coming you'll starve!—it was clear that the ritual protected the main-spring of the British economy.

But I was unable to discharge this patriotic duty. Boiled eggs made me ill, and my parents would not have approved of my going around poleaxing other people's breakfasts. Of course,

I now wish I had done so regardless. It might have made all the difference.

Fortunately, while the *Jobs Column* has been on holiday, there has come to mind a possible way of making amends. It is to ask readers' aid in trying to avert further disaster by joining in a ritual to protect the line managers directly in charge of activities which might keep Britain solvent, from the witch-doctory of personnel bottlenecks.

The unnecessary work and cost imposed by these mystics of manpower on managers notionally employed to minimise both, have been the subject of several complaints lately. The first, from line manager Philip Virgo (MA, MSc), came in June. His topic was personnel departments' fixation on recruiting people "whose sole talent is the ability to pass exams."

Of those so talented, he observed, the best are retained by the education system to train subsequent generations to pass exams. He went on: "The rest are recruited on behalf of us managers. When we find they have no other talent we pass them back to personnel, who employ them in writing job-descriptions, a task for which their lack of imagination and their docility

appears, disastrously, to suit them uniquely. Here they write a requirement for GCE Advanced levels, degrees and professional qualifications into the most menial of tasks, thus blocking off our sources of non-graduate recruitment."

Mr. Virgo's lament was straightaway taken up by seven or eight others, several of whom enclosed examples of the qualification-ridden mentality of the modern manpower magus. But, stupefying as some of them were, those examples have been outclassed by another example of the said witch-doctory that came to light the other day when some young people from Clay Cross applied for road-menders' jobs being advertised by Derbyshire County Council at wages of about £62 a week.

Rejected

These applicants were turned down flat. Although they had received a year's experience of construction work under the Government's Youth Opportunities Programme, they lacked the 16-plus exam results which were specified as necessary. It is a pity that the lads undertook their year's relevant training before applying to become road-menders, because the council

has only recently decided that those exam results are essential to the trimming of hedges and digging of holes in Derbyshire.

The council's first explanation—delivered while I was away—was to the effect that the exam requirements would ensure that the new road-menders were more intelligent than those of old, which would in turn ensure that they did the job better.

I must confess that this was a complete revelation to me. Believe it or not, after a dozen years of being employed to find out about educational processes, I was still under the impression that the world's best experts remained a long way short of agreeing on what, if anything, the word "intelligence" means.

Yet right here in Derbyshire was an authority which had determined not only what intelligence is, but also that it has a necessary connection both with possession of 16-plus exam certificates, and with the superior mending of roads. So on my return I telephoned the council, eager to learn the evidence on which it had reseeded this portentous conclusion.

By the time I rang, however, the council's mechanism for dealing with the Press had evidently been reprogrammed. It explained that the reason for the exam requirement was sim-

ply practical. The roads of Derbyshire henceforth need thoroughly modern menders capable of "utilising sophisticated equipment" and, in some instances, of promotion to the supervision of the utilisation. The sophisticated equipment in the case, I discovered, was big digging machines and the like.

Forestalled

So I said that those were surely less sophisticated than computers, and was about to add that it had been proved that people with no 16-plus results could work well as computer programmers and operators. But the council's spokes-man forestalled me.

Derbyshire's road-menders no longer just mend roads, I learned. Oh no! They must qualify by attending technical college over two years and gaining the Roadworks Craft Certificate of the City and Guilds of London Institute. The 16-plus exam results are required as a certificate of fitness to study for the certificate.

But when I telephoned the City and Guilds Institute, it said it did not stipulate any educational requirement for entry to that course. How students were admitted depended on each individual technical college, "but in

practice, if your employer wants you to take the course, then the college should admit you."

It therefore seems proven that the perpetrator of this stroke of unwarrantable officiousness is essentially some bureaucrat in the county council who, if not faceless, is demonstrably senseless. And, as I know from the examples sent by the correspondents mentioned earlier, Derbyshire and its dwellers are not alone in being afflicted by such fools. They have stored themselves away in organisations everywhere, and are making a lot of misery for managers, not — thank Heaven — like me.

Hence the need for a new witch-inhibiting ritual. What I suggest is that any line manager anywhere should, on coming across documentary evidence of such devilment in his or her organisation, ritually send it to me—anonously if preferred—along with the name and telephone number of the persons evidently responsible. Then the *Jobs Column* will ritually ring them up and ask them whether and, if so, why they have committed the alleged offence against their colleagues and by extension, their customers.

I look forward to hearing from you, with a vengeance.

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Application forms and further details are available from the Personnel Officer, Sheffield City Polytechnic (Dept. F.T.), Halls House, Fitzalan Square, Sheffield S1 2BB, or by phoning 20911, ext. 387. Completed forms should be returned by 28.9.86.

FRED PERRY SPORTSWEAR LTD

Financial Director
Designate

North London

c£13,000 + car + bonus

The prime source of financial advice to the Managing Director, the F.D. will take responsibility for the financial control of the company and an accounting department of 15. He or she will combine company secretarial duties with a high standard of management reporting and continue the development of systems through computerisation.

Our client has an enviable growth record in the manufacture and marketing of sports and casual wear, and is the subsidiary of a major US company. Continuing expansion is forecast. Applicants should be qualified accountants aged 28-35 with experience in a manufacturing industry. Please telephone or write to Stephen Blaney, B.Comm. FCA quoting reference 1/2018.

EMA Management Personnel Ltd.
Burns House, 88/89 High Holborn, London, WC1N 6LR
Telephone: 01-242 7773

Senior Systems Analysts

Up to £12,000 + generous fringe benefits

Our client is a major company operating in the insurance and financial fields both nationally and internationally. It runs a big IBM mainframe utilizing database and supported by dedicated and stand alone minis.

Reporting to a Systems Manager, there are a number of posts at Senior Systems/Project Leading level controlling analysis, design and implementation of modern business systems.

These are new appointments in a developing environment and are

likely to be of interest to candidates at degree or professional qualification level with at least 5 years experience of analysing, designing and implementing substantial systems. Experience in the insurance and financial areas of business would be an advantage.

In addition to a negotiable salary up to £12,000 p.a., there are generous fringe benefits and relocation expenses.

Please send your curriculum vitae, in strict confidence, to T.D.A. Lunan at the address below or telephone 01-437 2515 for a personal history form quoting reference number 349/FT.

Lunan

Management Selection Division

T.D.A. Lunan & Associates Ltd.,
1 Old Burlington Street, London W1X 1LA.
01-437 2515
(24 hour live answering service).

Do you want to work along with Colin Mitchell

and become part of a successful, dedicated team engaged in all aspects of client servicing? Do you have the qualifications?—honesty, ability and a commitment to hard work. Interested?—then contact Colin Mitchell in complete confidence at:
Buckmaster & Moore,
The Stock Exchange, London EC2P 2JT.
Tel: 01-558 1150.



b+m Buckmaster & Moore

Finance Controller (BUSINESS DECISION MAKER)

to £18,000 + car
ABERDEEN

A Chartered Accountant (early 30's) is to be appointed by this long established and enterprising international group as Finance Controller of a recently acquired company.

The company is shortly to undergo a programme of decentralisation to allow and encourage greater autonomy on site. Thus, as part of the senior management team, the Finance Controller working closely with both the Managing Director and the Head of Finance will increasingly be required to provide expert guidance and advice in determining future policy and strategy.

With a small support team the selected candidate's duties and responsibilities will cover statutory & monthly reporting, budgets & plans, cash management and capital appraisals. Other areas of direct involvement will include feasibility studies, business reports, contracts, tax planning and the further development of in-house computer systems.

The company is expansionist minded and there is scope for future career progression.

Interviews will be held in London & Aberdeen. Apply in confidence to:-

Sheldrick, Sedgwick & Goodyer

93-94 Chancery Lane, London WC2A 1DT. 01-242 5127

Senior accountancy & financial management selection

Managing Director Radio Avonside

The new Independent Local Radio Station for the Bath, Bristol, Wells area, based in Bristol, is due to go on air in autumn 1981.

This key post carries full responsibility to the Board for staffing, setting up and overall management of the sales, programming and other aspects of a radio station which aims to capture a large listening public with a wide range of tastes.

Applicants should have outstanding experience of broadcasting or of senior management in media business, together with an interest in local public affairs and the ability to create and maintain the standards and reputation of a major I.L.R. Station.

The man or woman appointed will be expected to take up full time duties early next year. Salary is negotiable in excess of £20,000, plus other benefits.

Please write in complete confidence, giving references and full CV, to Professor Glynn Wickham, Chairman, Radio Avonside, 30 Queen Charlotte Street, Bristol BS99 7QQ.

CAPITAL PROJECTS ACCOUNTANT

General Foods is a multi-national company and one of the country's leading food manufacturers. Our products, Maxwell House coffee and the Bird's range of desserts are household names.

The appointment of a Capital Projects Accountant, as a member of the company's management group, is to provide essential business judgement and financial analysis in the formulation and implementation of the company's capital investment and lease programme. Additionally, the Capital Projects Accountant will deputise for the Treasury/Finance Manager.

Suitable candidates are likely to be business graduates 25-30 years, with a post graduate accounting qualification a distinct advantage. Experience of financial planning within a multi-plant organisation would also be invaluable.

There is considerable scope to make a significant contribution to the company and to rapidly extend your career potential either in Banbury or in our International Division.

Fringe benefits include 27 days annual leave, good pension scheme, with substantial free life assurance cover and generous re-location assistance to this very pleasant area of Oxfordshire.

Please write or telephone for an application form to:

Divisional Personnel Manager, (Commercial)
General Foods Limited,
Banbury,
Oxon OX16 7QU
Tel: Banbury 4433 ext 405



Financial Controller

South Oxfordshire
to £14,000 + car + benefits

Our client, located near Oxford, is a UK subsidiary of a large multi-national group specialising in the sales and distribution of high quality decorative and car refinishing paints. It is a fast developing situation. The Financial Controller reporting to the Managing Director will control the full financial and accounting functions for the company in a fast developing situation. Special emphasis is placed on the implementation and improvement of management information systems based on an IBM system 34 installation.

The successful candidate, a qualified accountant aged 30 to 35 is likely to have at least 5 years experience in a progressive commercial environment using modern planning and budgetary procedures.

The initial salary will be to £14,000 plus a 2 litre car and an interesting range of large company benefits appropriate to a successful European organisation, including full relocation benefits where applicable. This is a real opportunity for both personal and career prospects for the right person within a growth company.

Candidates, male and female, can make application by quoting reference MCS 7016 and requesting a job description and personal history form from Michael R. Andrews, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 1SY.

Price Waterhouse Associates

Manager

Financial Services Operation

Our client, an international company within the financial services industry, is expanding its operations facility in Europe. It seeks a man or woman to both head up this expansion and manage the new centre to be located in London.

Candidates should be business graduates and should have several years' experience in managing an on-line international verification system and a world-wide electronic value exchange system for bank cards. The candidates should also be familiar with the functions and operations of computer hardware (preferably PDP systems and IBM 370s) and have knowledge of application and system software functions. The individual should be familiar with electronic banking and current world-wide banking payments/clearing systems. Also required is that the candidates are familiar with traveller's cheque procedures and have more than one year's experience with traveller's cheque refund referral service operations. Apart from English, excellent written and verbal communications skills in other European languages are also essential requirements.

Salary is negotiable together with a benefits package normally associated with a large international organisation.

Please write with career and personal details to:
Ref. MA 294, Robert Marshall Advertising Limited,
44 Wellington Street, London WC2E 7DJ.



GROUP CONTROLLER MANAGEMENT ACCOUNTING

The FMC Group of Companies is Europe's biggest meat group, with major interests in the wholesaling of meat, manufactured meat products and bacon industries. The annual turnover is approaching £500m.

The Group is now seeking to appoint a high calibre Accountant as Group Controller for its management accounting function. This would be a senior appointment, carrying complete responsibility for the function and its development throughout the Group.

Located at Knightsbridge and reporting directly to the Group Director, Finance, the appointee, aged 33-45, will have had significant experience in installing, operating and controlling both manual and computerised management accounting systems, and, ideally, a knowledge of the food industry.

A salary negotiable around £15,000 per annum is offered, together with a company car, pension scheme, and assistance towards relocation expenses where necessary.

Applications are invited from qualified accountants with the relevant experience and the enthusiasm and will to be effective in a challenging job.

Please write, enclosing career details, to:
Group Director, Finance,
FMC Limited, 19/23, Knightsbridge, LONDON SW1X 7NF.

Important Swiss commodity trading company is looking for an

EXECUTION MANAGER

- Swiss or "C" permit
- Minimum 5 years' experience in commodity execution (documentary credit and business follow-up)
- Aged 35-45
- Fluent English
- Responsible position involving co-ordination of all execution operations

Please write for arranging an interview:
A.T.T. S.A.
10, rue Bonivard, 1201 Genève

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Regional Accountant

Swindon based, c.£9,000 + car

If you are a qualified accountant, aged 25-30, and feel that your initiative is being stifled, then this appointment will be of interest to you. The Company, part of a large U.K. Group, is divided into eight regions and is a major supplier of timber and building materials to both trade and retail customers. Reporting to the Regional Manager, the successful applicant will be responsible for accounting standards and financial controls at the 5 branches in the region. This will involve not only the preparation of monthly accounts, but advice on maximising the region's profit and return on capital employed. Candidates should be articulate, resourceful, ambitious and capable of working with the minimum of supervision. Career prospects are excellent and relocation expenses are available where appropriate.

R.R. Varley, Ref: 35134/FT. Male or female candidates should telephone in confidence for a Personal History Form to: BIRMINGHAM: 021-622 2961, Albany House, Hurst Street, B5 4BD.

Jonathan Wren • Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

New Issues Executive

£10,000 — £15,000

Our client is a major international investment house. As a leader in the field of international new issues they seek to appoint an additional executive whose prime responsibility will be the marketing of issues of fixed interest securities.

The ideal candidate will probably be aged 24-28, have proficiency in a second European language and have gained experience with an Accepting House or other leading financial institution.

This will be a challenging appointment and suit candidates who can demonstrate the ability to make a significant contribution in a demanding environment. The starting salary will be supplemented by the normal range of fringe benefits. Please telephone in confidence or send a detailed Curriculum Vitae to Roy Webb.

First floor—entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Institutional Salesmen U.K. EQUITIES

As a result of the expansion of their business Wood, Mackenzie & Co. have vacancies for experienced institutional equity salesmen (male or female) to join their marketing team in London. While a broad knowledge of U.K. equity markets will be looked for, each salesman will be attached to a team specialising in specific sectors.

Experience in stockbroking is preferred but other suitable candidates with knowledge of the securities business will be considered. The ability to absorb research, think creatively and present ideas clearly to clients is of over-riding importance.

Salaries will be fully competitive for these senior positions and total remuneration will include a profit sharing bonus. A contributory pension scheme is in operation.

For further details please telephone or write to Peter Derby at:
Wood, Mackenzie & Co., 62/63 Threadneedle Street,
London EC2R 8HP. Tel: 01-600 3600.



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GEOPHYSICIST

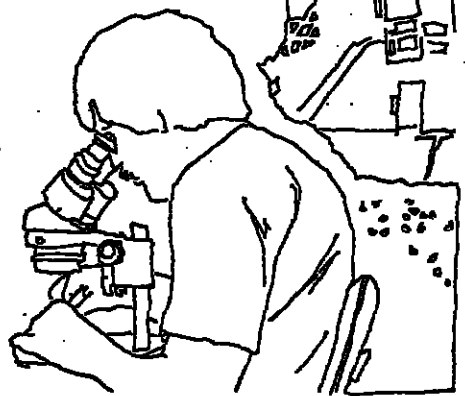
Saskoil has recently set up a geophysical capability. We are now searching for a geophysicist to complete our requirements in the Regina office.

Reporting to a Chief Geophysicist the successful candidate will have the opportunity to increase his/her knowledge and abilities under the supervision of this experienced professional. Responsibilities will include involvement in the acquisition, supervision and processing of field data.

In addition to the appropriate education, candidates should have a minimum of two years related experience.

Compensation will be commensurate with qualifications and ability.

Mr. John Sinclair
Dept. Human Resources
Saskoil
P.O. Box 1550
REGINA, Saskatchewan
S4P 3C4 CANADA
or call (306) 565-7706



FINANCIAL CONTROLLER

West Yorkshire c £13,000 + car

Our client is an expanding, privately owned company engaged in specialist precision engineering for major UK markets.

A qualified accountant is required to develop and control the entire accounting and financial reporting function. Reporting to the managing director, this person will be given every opportunity to participate in the overall development of the business.

Candidates should have several years experience of industrial accounting, both management and statutory, and should be seeking the challenges associated with a growing successful business.

Please send brief personal and career details, in confidence and quoting reference FT/117/M to Douglas G Mizon at the address below.



Ernst & Whinney Management Consultants
57 Chiswell Street, London EC1Y 4SY.

20

Senior Appointments

CHIEF ACCOUNTANT

WEST END £12,000

Our clients, one of the major names in British clothing retailing, are seeking a young Accountant to take total control of their accounts function. Joining a young progressive management team, the position will involve preparation of monthly accounts, budgeting, and cash flow forecasting. In charge of a staff of 12 the person appointed will have already shown evidence of creativity in a senior accounting role. Prospects within the company are excellent with progression to Financial Director Designate expected. Ref: 1557.

Contact: Chris Dennington or Gordon Montgomery
on 01-588 5105

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB. 01-588 5105

Royal Society of Arts Chief Accountant

c.£13000

The Royal Society for the Encouragement of Arts, Manufactures and Commerce was founded in 1754 and is active in a wide field of applied arts and sciences; the Society is also a major examining body in business studies and languages. There is a full-time staff of around 120 located in London and Orpington. The Chief Accountant works from the Society's 18th century house in John Adam Street, London, WC2.

Applicants should be qualified accountants, preferably Chartered, and most likely aged 30-50; able to demonstrate proven experience in the administration of an accounts office and financial control; be capable of making a mature contribution to the management of the Society's affairs. Experience of accounting for a body with charitable status will be useful but not essential. The Chief

Accountant is responsible to the Secretary (and Chief Executive) of the Society. Applications, before 26th September, should contain relevant details of career and salary progression, age, education and qualifications. Please write to: A.C. Crompton, who is assisting with the recruitment, quoting reference 919/PT on both envelope and letter, or telephone 01-248 3913 for an application form.

Deloitte Haskins & Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

International Audit

Do you speak our language?

J.I. Case is a thriving subsidiary of Tenneco Inc., one of the U.S.A.'s largest multi-national corporations. With nearly 30,000 employees and world-wide sales exceeding \$2 billion, we are making impressive progress in consolidating a major share of the European market for our construction, earth-moving and agricultural equipment.

As a dynamic, far-sighted company, we regard Audit very much as a key function, providing an unparalleled environment for rapid career development.

Operating on 6-8 week team assignments throughout the Continent, from Scandinavia to Spain, you will need to be fluent in at least one European language — German would be particularly appropriate.

You will probably be a strongly-motivated man or woman in your late twenties, a qualified Accountant with at least 2 years' post-qualification experience, ideally working abroad on behalf of a similarly large organisation.

As well as considerable technical expertise and utter professionalism you must be able to demonstrate the necessary personal qualities to deal successfully at the most senior levels of the Company's structure.

A salary reflecting qualifications and experience will be offered plus a generous range of big company benefits.

Please write with full personal and career details to Mr. T. D. Wingham, Manager, International Audit Operations, at J. I. Case (Europe) Inc., Case House, 45-47 Monument Hill, Weybridge, Surrey, KT13 8PL.



UK SUBSIDIARY OF MULTINATIONAL SEEKS:

GROUP CHIEF ACCOUNTANT

(Ref. MMA)

c. £12,000 + car

For company involved in consumer products.

To control finance functions working closely with Group MD and Divisional Managers to achieve full profit potential and planned growth.

Age approx. 30

Group T/O £11m

DIVISIONAL ACCOUNTANT

(Ref. MMD)

c. £8,500

Newly qualified accountant seeking responsibility for own accounting function.

T/O £4m

Both the above appointments are located in Northern England.

MANAGEMENT ACCOUNTANT

(Ref. MMH)

c. £8,500 + car

Based in London HQ of parent company. Reporting to Finance Director with responsibility for the accounting of the London operations.

Would suit newly qualified accountant. Travel within UK necessary.

Write Box A.7293, Financial Times, 10 Cannon Street, EC4P 4BY, with full curriculum vitae.

CORPORATE FINANCE EXECUTIVE

An experienced and successful executive is required for the corporate finance department of this expanding Edinburgh-based merchant bank whose principal shareholders are well-known Scottish institutional and commercial investors. He/she will already have a proven track record in this field and have the ability to initiate and conclude successfully a broad range of merchant banking activities. Ideally he/she will have commercial and industrial contacts in Scotland and be able to establish himself/herself quickly as a significant member of a small corporate team.

Salary and other benefits appropriate to this position will be by negotiation.

Detailed curriculum vitae to:

W. S. Lovell, Managing Director
McNEILL PEARSON LIMITED

36 Melville Street, Edinburgh EH3 7HA

Fund Managers U.S. and Far Eastern Markets

International Fund Management company requires experienced U.S. Investment Manager to work in London, and a similarly qualified Far Eastern expert to work in Hong Kong.

Salaries negotiable.

Please apply to Box No. A.7295 The Financial Times, Bracken House, 10 Cannon Street, London EC4, enclosing full career history with emphasis on your specific qualifications for either of these posts.

Finance Director

International Distribution
around £17,500

The company, part of a UK group of considerable standing in the international services sector, operates in 18 countries. The appointment arises from a promotion.

Ideally aged around 35, candidates must be qualified accountants and/or an MBA with significant line financial management experience. Their strengths will include systems development and management accounting—and the capacity to respond to the challenge of total business involvement in a successful international operation.

HQ location: convenient for Heathrow. Some overseas travel. Company car.

Please write—in confidence—indicating how you meet the requirements stated. Colin Bexon ref. B.17334.

This appointment is open to men and women.



United Kingdom Australia Belgium Canada
France Germany Holland Ireland Italy
New Zealand South Africa South America
Sweden Switzerland U.S.A.

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Finance/Administration Management

c.£18,000

This challenging career opportunity is with an established trade association which provides comprehensive services to its members. The wide range of activities is probably unique and includes legal advice and assistance, insurance underwriting, property purchase and planning, an information service, interim comparisons, a clearing house and sales and marketing of business aids and equipment. The successful applicant for this new post will report to The Director and be responsible for providing financial, personnel and administrative services to the association. A prime task will be to formulate financial and investment policies. He or she will be responsible for the introduction of computer-based financial management information systems. Candidates should have

legal, financial or Chartered Secretarial qualifications and be able to demonstrate broad-based commercial experience. The job demands a flexible approach and the ability to work with considerable autonomy in a small dynamic organisation. The benefits package includes a car and relocation assistance to Hertfordshire.

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

PROJECT FINANCE OFFICER

HONG KONG

Age: 28-34

ENEG.

EUROBOND TRADER

U.S. BANK

Age: 25-35

c.£17,500

FOREIGN EXCHANGE DEALER

Age: 25-30

c.£15,000

For further details of these, and the many other senior appointments for which we are currently retained please contact, in complete confidence, MARK STEVENS—General Manager.

BANKING PERSONNEL
41/42 London Wall, London EC2. Telephone: 01-588 0761

(RECRUITMENT CONSULTANTS)

FINANCIAL ANALYST

An international oil trading company in Knightsbridge invites applications for this position. Applicants should have good commercial experience, a good knowledge of bookkeeping and an understanding of international trade. An analytical mind and pleasant manner also important. Knowledge of German and/or French an advantage. Top salary, luncheon vouchers and bonus scheme.

Please send curriculum vitae and, if possible, daytime telephone number to: Box A.7287, Financial Times, 10 Cannon Street, EC4P 4BY.

هكذا من النظم

High Calibre Problem Solvers

Up to £11,000 plus attractive benefits normally associated with a major International bank
Aged: 23-32 Location: City of London

Have you had to tackle complex unstructured problems requiring you to:

- identify the important elements in a problem,
- provide creative yet practical ideas for solutions,
- effectively communicate your ideas to senior management to ensure successful implementation?

We wish to recruit at least two people with this experience for our Operational Research Group.

- The O.R. group in NatWest tackles challenging assignments involving high level client contact in all areas of the Bank's activities.

- We are interested in you if you have a high level of ability, drive and enthusiasm, and wish to develop your skills as a member of a respected and lively O.R. Group.

- You must be highly numerate with a good degree and/or a professional qualification.

- At least 2 years relevant practical experience is required, not necessarily in O.R.

We are offering attractive salaries in the range £8,000-£11,000, according to qualifications and experience.

Plus:

- profit sharing bonus
- low cost mortgage
- non-contributory pension scheme
- other substantial benefits

Career prospects within the O.R. Group are excellent, with salary potential exceeding £20,000 p.a.

Please send a typed C.V. with concise details of age, experience, qualifications, and salary progression, and explaining why you are interested in joining us, to: Philip Wise, Manager of the O.R. Group, National Westminster Bank, 13th Floor, Drapers Gardens, 12 Throgmorton Ave., London, EC2P 2ES.

 National Westminster Bank

Accountants

mid/late 20's

Cape Town

Our Client is the substantial South African subsidiary of a large, profitable and expanding British manufacturing Group. The subsidiary has a Cape Town H/Q and manufacturing facilities and is organised on a divisional basis. They now wish to recruit two accountants whose responsibilities will be the review of systems across all functions of the business, the formulation and introduction of accounting systems, the assessment of accounting and other business equipment and its application to the Company and internal audit. There will be limited business travel by air within South Africa (6 weeks approx).

A commencing salary in the range of R16,000- R19,000 is envisaged. In South Africa the Rand purchases about the same as the Pound does in Britain.

Applicants should be Chartered Accountants aged 25 or over preferably with audit experience of manufacturing industry. A keen interest in and desire to gain experience of systems in a manufacturing company is important. Interviews will be conducted in London.

Please write in confidence to B. H. Mason at 78 Wigmore Street, London W1H 9DQ, with career and personal details, quoting 6022/FT. Both men and women may apply.

**John Courtis
and Partners**

BANKING

Lending Officers c. \$50,000

Substantial Middle Eastern banking institution with considerable growth plans seeks several experienced Account Officers to assist in its credit/business development programme.

Financial A/CS Assistant £8,000 +

Good experience of financial accounting and management reporting is essential for this key role with a growth-oriented international bank.

Credit Officers £8,000-£11,000

Two of our major banking clients require fully trained Credit Analysts to join specific lending teams. In addition to the normal analytical duties, these positions offer opportunities for involvement in the bank's marketing plans.

Contact Tom Kollinsky in confidence
on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside London EC2. Telephone 01-248 3812 3 4 5

Loan Administrator c. £7,000 +

Newly established European bank requires an experienced individual to run the administration of its loan portfolio - additionally some background in bank accounting would be an advantage.

Loan Syndications Assistant £8,000-£10,000

Well respected subsidiary of international bank seeks an Assistant to the Syndications Manager. A grounding in the mechanics of loan syndication and a credit background are essential requirements for this attractive opportunity.

Spot Cable Dealer c. £16,000

Progressive US Bank requires a fully experienced Cable dealer, 25-28, to join its active and successful dealing room.

Merchant Banking Corporate Finance

Samuel Montagu & Co. Limited has a vacancy for a junior executive in its corporate finance division. The successful applicant will probably be between 24 and 26, with an accountancy or legal background.

Apply in writing (with curriculum vitae) to:
B. K. Barber, Personnel Director.

Samuel Montagu & Co. Limited
114 Old Broad Street, London, EC2P 2HY.

PROJECT MANAGER

experienced in solid handling and design of marine terminals for loading and unloading coal is required by an international contracting company based in Milan, Italy, where the successful applicant will be located. Salary, which is negotiable, will be commensurate with experience and qualifications. Qualified candidates are invited to submit written resumes of educational background, qualifications and experience to:

The Managing Director/
Company Secretary,
MICOPERI LIMITED,
17/19 Jacobs Well Mews,
London W1H 5PD.

FX DEALERS BANKING LOANS OFFICERS

£ negotiable £ negotiable

LENDING OFFICERS to £14,000

BANKING MANAGER AIB to 36

CREDIT ANALYSTS to £8,000

CHARGED SECURITIES/LOANS ADMINISTRATION to £7,000

B of E RETURNS CLERKS to £6,000

Please contact Mike Pope 01-226 0731

Q.S. Banking
Recruitment Consultants
30-31 QUEEN STREET, LONDON EC4

Group Controller (FINANCE & OPERATIONS)

to £18,000 + car
NOTTINGHAM

A qualified Accountant with strength of personality and breadth of commercial experience, is required to join the senior management team of this highly successful listed group, recognized and respected for its quality products. The organization has generated tremendous growth over the last decade to become a market leader and continues to return record profits.

The initial brief of the Controller will be to examine the needs of the group companies - presently at varying stages of development of computerisation - to take overall financial control and satisfy the requirements of the Board at the same time allowing the autonomy and entrepreneurial spirit to prevail within the subsidiaries.

In addition to the statutory & monthly accounting, budgetary control and planning aspects, the successful candidate will work closely with the Group M.D. on various projects including acquisitions and feasibility studies, taking a front line role in the overall strategy and commercial management of the group.

An early directorship is expected.

Interested candidates should apply in confidence to:

Sheldrick, Sedgwick & Goddard

93-94 Chancery Lane, London WC2A 1DT. 01-242 5127

Senior accountancy & financial management selection


Financial Controller Professional £11,500

Our client is a substantial firm of Solicitors with an expanding practice near the Law Courts. They wish to appoint a Financial Controller who will be responsible to the Finance Partner for the development and operation of the Accounts section including a full management information system and the efficient operation of their computer.

Applicants should be aged over 29 and have a professional qualification. They must have had previous experience of the management of an accounting section including cash flow control. Additionally, experience of a professional partnership, taxation or data processing would be useful but is not essential.

Emoluments include an attractive salary, a contributory pension scheme, BUPA etc. This is a demanding opportunity for a professional partnership to make a major contribution to the development of the practice.

This appointment is open to both male and female candidates who should send adequate particulars initially, in confidence, to R. I. Beard:

 Spicer and Pegler
Management Consultants,
St Mary Axe House,
56-60 St Mary Axe, London EC3A 8BJ.

INTERNATIONAL BANK

ACCOUNTING
£5,000 — £8,000

A number of our busy expanding international bank clients seek young people to assist with various aspects of accounting/control, particularly

MANAGEMENT INFO./PROJECT ANALYSIS
BANK OF ENGLAND RETURNS
INVESTMENT ACCOUNTING

Opportunities occur at all levels each extending first class career prospects... plus all the usual benefits.

Please telephone Ann Costello

JOHN
CHIVERTON 31, Southamptn Row,
ASSOCIATES LTD. LONDON W.C.1.
01-242 5841

INSTITUTIONAL DEALER AUSTRALIA

WALLACE H. SMITH has a vacancy in its London Office for a Dealer to service its international broking and Institutional Clients. Previous experience and a knowledge of the Australian Markets essential.

Applications in confidence to:

H. A. Clive
WALLACE HSMITH
Regina House, 5, Queen Street, London EC4N 1SP

Two vacancies have arisen at the London Office of one of the world's foremost technologically-orientated multinational companies, whose overseas activities are expanding and where there are excellent opportunities for contract administration on an international level.

Contract Administration Manager

about £18,000 plus car

The senior post requires a person of wide experience in international contracting (particularly with governments and their agencies), the ideal candidate being someone offering a legal and technical background and with a strong commercial aptitude, aged at least 35 years. The person appointed will be responsible for the management of this function throughout the company and a number of its UK affiliates.

Contract Administrator

The other post, which would suit a younger person, requires a similar professional background and experience, but with emphasis on the consumer electronics market and, although based at the London Office, would initially require substantial activity at one of the Company's units in Essex.

Both posts should appeal to candidates who wish to see their careers developing in the direction of general management, either at home or overseas. Conditions of employment are excellent. The Company offers a lively business environment to dynamic self-starters.

Applications, which will be treated with strictest confidence, should be made by letter or telephone to Chambers & Partners, Recruitment Consultants, 74 Long Lane, London, EC1. Tel: 01-606 9371

Hoggett Bowers

Executive Selection Consultants

New Venture Accountant

'The Orient Express'
Central London, c.£9,000 + bonus

Reintroducing the 'Orient Express' service from London to Venice to recreate an era of luxury class travel and haute cuisine is an exciting project. This is one of a number of projects that form a diversification programme for our client, a leading container leasing group. Reporting to the Chief Accountant, the successful candidate will manage a small team and take responsibility for project accounting functions stemming from U.K., U.S.A., France and Italy. Future development will involve similar duties for other group activities. Applicants will be aged under 30, qualified ACA or ACCA, with 2 years' post qualification experience in industry. Knowledge of the travel business would be an advantage but is not essential. The company is young and energetic and requires an assertive personality to take control of events.

N.P.S. Lilley, Ref: 22220/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyl Street, W1E 6EZ.

 British Steel Corporation

Manager, Pensions Investments

With an investment of over £1,000m, the Corporation's Pension Fund is one of the largest in the country.

Its Investment Manager has wide discretion both in administering the portfolio and in formulating the investment policy.

This senior and responsible position is now vacant. Applicants should have had a successful record as one of the members of a top management team of a similar sized fund or in controlling a smaller fund. He/she should have an appropriate professional qualification. Experience should cover investments at home and overseas, in both Stock Exchange and property fields. Extensive personal knowledge of and contact with stockbrokers, banks and property specialists as well as consulting actuaries and investment managers of other funds will be assumed.

The importance of the appointment will be reflected in the terms offered to the successful candidate.

Applicants should write, quoting reference HO171, to:

The Director, Personnel Development & Services
BRITISH STEEL CORPORATION
33 Grosvenor Place, London, SW1X 7JG

Eurobond Issues

mid-20s

up to £12,000 + car

A market leader in the field of merchant banking with an excellent reputation in the capital markets as an issuing and dealing house, seeks to appoint an Assistant Manager to join its Eurobond New-Issue department. The successful applicant will join a small, highly professional team and will be expected to assume a high degree of responsibility in this area. The position entails world wide travel and there is excellent scope for progress. Candidates, aged between 25 and 27, must have experience, in-depth, of issue procedures gained either in a merchant bank or legal context. Salary will be negotiable up to

£12,000 with a car and all normal benefits associated with banking. Location: City.

Ref: AA517446/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services. Men and women may apply.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Financial Controller

Sussex

c£14,000+car

The V.P. Finance says "I want a professional who is a people's person."

Tight deadlines, detailed reporting, strict controls, but a fair degree of autonomy is the style of this UK and European marketing subsidiary of a \$1½ billion Corporation. Turnover here is \$12 million and growing fast, particularly in continental Europe. About 10% travel is needed to exercise control overseas and maintain contact with the US.

A qualified accountant, perhaps between 35 and 40 years of age, with thorough experience of accounting in an international market and of US standards and requirements, is sought. A highly

developed commercial sense is also needed to assist the UK Director in running the business.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to A.C. Grompton quoting reference 861/FT on both envelope and letter.

Deloitte Haskins + Sells
Management Consultants

128 Queen Victoria Street, London EC4P 4JX

WELCOME TO CANADA

Interested in gaining direct access to CANADIAN recreational and investment real estate market? We are searching for successful representatives in Europe. We offer 18 years of CANADIAN experience, and excellent bank references. Our inventory, and generous commission arrangement allows you to start selling, immediately. Telex essential. Real estate background not necessary. We will train. Please write in confidence, giving complete background and telephone number to: Canadian Sales Representative Station "K," Box 53 Toronto, Ontario, Canada, M4P 2G1. Our president will be in Europe end of September for interviews.

KLEINWORT, BENSON Merchant Bankers

Two years ago our North American Banking Department recruited a young man to join its small team of account officers. His qualifications included three good 'A' levels, two years' valuable experience in the international division of a large bank in London, and a willingness to work hard and use his initiative.

He has now become one of three representatives in our Chicago office.

We are consequently looking for a young man or woman to take his place in London. If you think you could fill the gap please apply in writing giving full details of your career to date to:

Miss J.A. Emptage, Personnel Officer,
Kleinwort, Benson Limited, P.O. Box 560,
20 Fenchurch Street, London EC3P 3DB.

Commencing salary would be negotiable and our package of benefits includes subsidised mortgage, non-contributory pension scheme, free life assurance and BUPA, luncheon vouchers and staff restaurant.

Young Engineers with senior management potential

Each year we appoint 2 or 3 Mechanical, Chemical or Electrical Engineers who have the ability and desire to reach senior management positions in the general commercial area of our international business.

We recruit mainly at Ph.D. and M.Sc. level, but also at first degree provided you have some exposure to the use of computers.

Your first appointment will be in our Distribution Development Division in London. Your work will be concerned with project management of projects in areas such as: new equipment and methods in both plant and transport fields; automation of control and data generation; network optimisation and logistic strategy.

Following this, you will be assigned to an operating company, probably overseas in a territory such as Australia, France, Hong Kong, The Oman or Brasil. Here you will have a real opportunity to acquire early managerial experience, while at the same time making use of your engineering background.

Typical of the wide range of projects are the design and evaluation of a remodel of a lubricants blending plant, and the planning and implementation of seater unloading facilities. In under a year you could then, for example, become the Transport Operations and Product Movements Manager at an overseas terminal, working closely with the marketing function and deriving extensive man management experience. During your first years with the company you will be encouraged to acquire Chartered Engineer status.

These initial assignments are intended to provide the men and women we appoint with the starting point for more general development in a variety of business areas, leading to senior management positions.

If the considerable career scope we offer matches your aspirations and abilities, please write for an application form or send a c.v. to:

Shell International Petroleum Company Limited, Recruitment Division (FT), PNE/23, Shell Centre, London SE1 7NA.



AUSTRALIA-BROKER/MANAGER

FIXED-INCOME SECURITIES AND
MONEY MARKET INSTRUMENTS

M.M.D.-BUTLER GROUP, Australia's leading interbank and corporate money broker, seeks applications from persons qualified to manage their Queensland State operations from a small but well-established office in Brisbane. The successful applicant must be a proven self starter and have a good knowledge of money markets and international corporate financing techniques.

Salary will be negotiable, but total package will include car, non-contributory superannuation, and profit-sharing schemes.

Please forward full particulars of qualifications and experience to:

Mr. John Webb, Managing Director, M.M.D.-BUTLER GROUP, 8th Floor, Adelaide House, London Bridge, London, EC4R 9HN.

Treasury Systems Development

A new project management
appointment

City

c.£12,000

+ banking fringe benefits incl. 5% mortgage

This position offers an excellent opportunity
for an ambitious Banking systems professional
with a proven record of FX/MM Systems
implementation.

BIS Applied Systems Limited
York House, 199 Westminster Bridge Road
London SE1 7UT
Telephone 01-633 0866

BIS Applied
Systems

For a major international investment Bank providing a comprehensive range of financial and investment services to governments, the public sector and corporations throughout the world.

The person appointed will be responsible to senior management for planning and controlling the activities of a systems project team through all stages of project development. The project objective is to install a range of computer-based systems for the Foreign Exchange and Money Market functions.

Our client invites applications from candidates aged 27-35, of sound academic background up to honours degree standard, who have systems experience in the financial sector, including a substantial period of systems design and supervisory responsibility. Knowledge of the larger range of IBM equipment operating in a telecommunications environment is also desirable.

This is an excellent opportunity for a business systems professional, possibly the No. 2 in a successful Treasury computer-based systems team, or for someone who has successfully installed a batch processing Treasury system and is keen to be involved in the opportunities available in current systems technology.

Commensurate with the importance of the position a starting salary around £12,000 is envisaged together with excellent fringe benefits including a preferential mortgage scheme.

TO APPLY

Please send a CV or telephone for an application form to JOHN KITCHEN, Executive Selection Division, quoting reference G857. Applications are invited from either sex.

THE PARKWEST MANAGEMENT COMPANY ACCOUNTANT £10,000+

THE COMPANY comprises some of the most successful organisations in the highly competitive property development and trading field - and is related to a diversified multinational group.

THE POSITION reports direct to the Financial Controller and covers all aspects of management and financial accounting, plus the provision of accurate information to strict deadlines.

THE PERSON must be a qualified accountant with some relevant post qualification experience. Aged 26+, the successful candidate will have the personal drive and leadership, technical ability plus

character to progress in a demanding and fast-moving environment.

THE PROSPECTS full scope to reach the highest levels of management.

Write, giving full career and personal details to: The Managing Director, Park West Management Co., Kendal St, Marble Arch, London, W2.

PARK WEST

CURRICULA VITAE

Professional C.V. writing and production. 40 printed Resumes from £25: 20 full C.V.s, bound, from £50.

Ring 01-836 4561 or write to: CURRICULA VITAE LTD., Freeport London WC2E 7BR

THE WIGGINS GROUP

has a record of over sixty years in the building industry and is expanding steadily as a public company of high reputation and commercial success.

CONSTRUCTION DIRECTOR

London area circa £20,000 + car

An experienced Construction Director will be invited to join the Main Board. Aged probably forty to fifty, the Director will undertake the supervision and control of a division that employs over 500 and has a turnover in excess of £12m.

To assist our clients to fill this appointment we shall seek undoubted professionalism and enthusiasm. Each is of importance to the Group's success and so provides the successful candidate with exceptional opportunities for career and financial advancement. The initial salary, within the range quoted, will be offered in accordance with his/her qualifications and experience.

Please telephone TODAY or write with full details for a Career History form to:

D. Bryan Andrews Associates,
Management Selection,
St Martins House, 29 Ludgate Hill,
London EC4M 7BQ. Tel: 01-248 8033.

Financial Manager

Brussels

The regional headquarters of a major U.S. financial company seeks a qualified applicant to join a small team to appraise and monitor large telecommunications projects in Africa and the Middle East.

The prime responsibilities of the team are to analyse new project proposals to ensure that the financial projections, risks and opportunities are properly evaluated, and to monitor the financial and operating performance of existing projects. Several years of experience with a medium to large international organisation are required, coupled with an imaginative,

mature and enthusiastic approach. The preferred age is 28 to 35. The position is Brussels based but will involve extensive travel, mainly in Africa and the Middle East.

Ref: K7002/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they should not be sent. They should include comprehensive career details, not refer to previous correspondence with PA, and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Hoggett Bowers

Executive Selection Consultants

Management Accountant

Export Marketing
West Country, c.£8,000

The marketing division of a major group has recently been reorganised. A new position is now in demand for a young accountant to take charge of the accounting for its export business. This position will provide excellent experience in exporting to seventy countries, computerised budgeting and reporting using a sophisticated model leading eventually to a fully integrated system. Candidates should be qualified ACA or ACMA. Age is immaterial but candidates should be systems minded, matched to sound commercial awareness. Prospects are excellent; therefore drive and ambition are essential. Full relocation will be paid to a highly attractive rural area.

J.H.E. Davies, Ref: 37189/FT. Male or female candidates should telephone in confidence for a Personal History Form to: CARDIFF: 0222-384024, 2nd floor, St. David's House, Wood Street, CF1 1ES.

INTERNATIONAL AUDITORS

The European Internal Audit Department of a major U.S. international company has openings for young auditors (under 30) to conduct financial and operational review of the Group's European operations.

Position requirements

- Studies in accounting and/or qualified accountant.
- 2 years' experience with a major international audit firm or equivalent experience on the internal audit staff of a multinational corporation.
- Fluency in English and excellent working knowledge of either French, German or Italian.
- Because considerable European travel is involved, the potential work location to be agreed with the successful candidates.

If you come close to the above requirements, please write in confidence, giving full career/personal details and salary requirements to:

Internal Audit Manager - Europe
c/o Abex International S.A.
55, Chemin Moise-Duboué
1209 Geneva, Switzerland

Investment Management

Financial Institution

This well known financial institution with substantial investments in property, fixed interest securities and UK and overseas equities, requires an outstanding man or woman. The ideal candidate will be a graduate economist or qualified accountant, banker, or actuary, aged 30 to 40 with a minimum of 5 years' broadly based investment management experience gained with an investment trust, life office, pension fund or merchant bank. This post offers good career opportunities for someone with high personal qualities and initiative, and the ability to put forward new ideas. Salary is negotiable well into five

Well into five figures

figures, and other benefits include house purchase facilities and an attractive pension plan. The post will be based in an attractive part of Scotland and generous assistance is available with relocation.

Ref: AA501747/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

STOCKBROKERS

London firm of stockbrokers require an assistant, aged 22-30, for bank investment department. Previous experience of giving written advice essential. Write Box A7294, Financial Times, 10 Cannon Street, EC4P 4EY.

APPOINTMENTS ADVERTISING

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هكذا من العمل

Commercial Lawyer

c.£12,000 plus car

Searle is an international research based pharmaceutical company with a European regional office located at High Wycombe, Buckinghamshire. Continued growth has led to the creation of a new position reporting to the Company Solicitor—European Region.

We wish to appoint an able young Commercial Lawyer (male or female) to assist in the provision of a comprehensive legal service to all Searle businesses in Europe, Africa and the Middle East. The position will involve overseas travel and at some period an assignment to the Company's headquarters near Chicago.

Ideally candidates should have had at least two years post qualification commercial experience and be fluent in either French or German. International experience would be particularly useful.

Starting salary will be in the region of £12,000 plus car and our attractive fringe benefits package including comprehensive relocation assistance.

Please write, enclosing a full resume to

J N Williams, Personnel Manager,

G D Searle & Co Limited,

Lane End Road,

High Wycombe,

Bucks HP12 4HL.

SEARLE

Finance Director

West Country around £14,000+car

Our client is an electrical and mechanical contracting company (T/O c £8M), operating in the U.K. and overseas and part of a major and successful U.K. Group. Its growth during the '70's has been impressive and to keep the momentum going a new post of Finance Director is being created to help the Managing Director to explore new approaches for developing the business further, especially overseas. The successful candidate will be responsible for all financial aspects of the business plan and the professional oversight of financial control procedures in the operating sub divisions. He/she must be a qualified accountant, aged 30-35, with experience of the contracting industry both in the U.K. and overseas and preferably some formal business training. Ref. 1168/FT Apply to R. P. CARPENTER, FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel. 01-636 0761.

Phillips & Carpenter

Selection Consultants

Rare blend of general and accountancy management

General Manager Finance

A service organisation requires a Chartered Accountant to run and further develop an already profitable and rapidly growing Division. In addition to experience of a wide range of accounting activities, preferably including a period in industry or commerce, the key requirements are:

- * Commercial awareness and imagination
- * Pragmatic approach
- * Lively communication abilities
- * General management potential
- * Aged 32-40

The location is Greater London and relocation assistance is available. Remuneration of at least £15,000+car+benefits.

For an initial talk about this career opportunity telephone Peter Southgate:

JSP Selection Consultants

10 Haymarket, London SW1Y 4BP. Telephone 01-839 4953

FINANCIAL DIRECTOR

Central Africa Age 35-50

The Group
A substantial African based group whose interests include plantations, aviation, international trading and a Christian Trust.

The Position
Responsible for the total financial control of the group, involving extensive management reorganisation and project development.

The Person
A qualified accountant, with basic French and some business experience, who will be attracted to the challenge of a varied and demanding position.

The Benefits
A very attractive package with full family allowances is envisaged.

Please write to or telephone Ian Willis, Ian Willis Associates Limited, 110 Jermyn Street, London SW1Y 6HB. Telephone 01-839 7577/01-930 3209

IAN WILLIS ASSOCIATES LTD.
Executive Selection Consultants

MANUFACTURERS HANOVER LIMITED

requires an

INVESTMENT MANAGER

to join its rapidly expanding portfolio management unit. Experience of managing fixed income multi-currency portfolios is required.

The position offers responsibility and opportunities to pursue a challenging career.

Salary is negotiable and the bank provides an excellent benefits package.

Handwritten applications including details of previous experience should be sent to Mr. J. E. W. Bamford, Assistant General Manager, 8 Princes Street, London EC2P 2EN.

Management Accounting

A multi-million pound t/o division of a major industrial group monitors the financial affairs of its branch offices from a small, compact H.Q. situated to the west of London. Internal promotion and increasing sophistication have created the need to augment the team.

Divisional Management Accountant c.£11,500

This post calls for a qualified accountant aged 26-35 with industrial accounting management experience gained in a computerised environment of a large industrial complex. The personality to influence non financial types and the ability to communicate effectively at senior levels are vital attributes. The role is demanding, varied and interesting and includes the preparation of statutory accounts, the compiling of profit projections and the preparation of financial management information using modern accounting techniques.

Please write, in confidence, with full career details to I. M. G. O'HARE, MANN MANAGEMENT, 124 New Bond Street, London W1.

MANN MANAGEMENT

Corporate Finance Stockbroking

Our client, a leading firm of Stockbrokers, seeks a Corporate Finance Executive to augment a small but extremely active department.

Aged 28-40, the successful candidate will probably be a qualified solicitor from a large practice with considerable knowledge of corporate law and the ability to communicate with clients at the highest level.

The Executive will be involved in a very wide range of corporate finance activities and will be expected to attend most meetings with the corporate clients of the firm. Marketing the firm's services and the development of new business are also of paramount importance.

Salary is entirely negotiable and will not be a limiting factor for the right candidate. Prospects of early partnership are excellent.

Please contact Anthony Innes who will treat all enquiries in the strictest confidence.

Stephens Associates
International Recruitment Consultants

35 Dover Street, London W1X 3RA. 01-493 0617

Laing & Cruickshank (Incorporating Powell Popham Dawes & Co.)

GILT-EDGED SALES EXECUTIVE

We require an additional gilt-edged sales executive with experience of dealing with the needs of pension funds, insurance companies and other long term investors. An excellent opportunity exists for the right person who is prepared to work in an environment where rewards are closely matched to effort, and who can make full use of our established economic research.

Replies in confidence to:

M. S. Evans,

Laing & Cruickshank, The Stock Exchange, London EC2N 1HA

IBCA

Requires a Bank Credit Analyst

IBCA is the leading bank credit company providing reports on over 200 banks in 16 countries to major financial institutions worldwide including central banks, international companies, commercial and investment banks. IBCA is also a consultant and seminar organiser on bank credit topics.

IBCA now needs an additional senior analyst to:

- Interview senior officers of foreign and central banks;
- Prepare sophisticated credit analysis reports;
- Advise customers on bank credit.

Fluency in German is essential and knowledge of Italian desirable.

Previous experience as a bank credit analyst is not necessary but a financial background is desirable e.g. C.A., M.B.A. or financial analysis. We are more interested in finding the right person than in specifying rigid salaries, but an initial salary the region of £8,000-£12,000, depending on experience, is likely.

Please ring (01-377 8929) or write to:

Robin Monro-Davies

IBCA BANKING ANALYSIS LIMITED
2-12 Wilson Street, London EC2M 2TE

CREDIT ANALYST/ LENDING OFFICER

£9,000-£12,500 plus benefits

Our client, a rapidly expanding international bank, is looking for an analyst to join a young team involved in the evaluation and review of lending and credit proposals.

This is an excellent opportunity to develop the technical expertise necessary to progress into the openings for lending in both the domestic and international markets.

Applicants should ideally be graduates and/or qualified accountants with some training in, and experience of, credit, investment or financial analysis covering both industrialised and developing countries.

Please write in strictest confidence to:

ROBERT DIGBY, BA, Consultant
Quoting Ref: 2329

David Clark Associates

4 New Bridge Street, London EC4A 3DF
Telephone: 01-353 1367

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COUNTY BANK

Merchant Banking

Manchester

As a result of expansion our Manchester Office, which serves the North West, requires a senior lending executive to join the existing team.

Applicants should be aged between 28 and 33, AIB qualified and preferably with a University degree. Previous experience in a merchant bank or other financial institution is essential.

Interviews will be held in Manchester but in the first instance applications giving full personal and career details, should be sent in confidence to:

Mark Forrester, Assistant Director Personnel,
County Bank Limited,
11 Old Broad Street, London EC2N 1BB.

Member of the National Westminster Bank Group

Appointments in new London Branch of a prime European Bank

FOREIGN EXCHANGE/ DEPOSITS DEALER £15,000

To assist the Chief Dealer as No. 2, 4/5 years' experience of major currencies and deposits essential.

FOREIGN EXCHANGE DEALER £10,000-£12,000
With 2/3 years' experience to join as No. 3 in the same dealing operation.

INTERNAL AUDITOR £10,000 plus
Ideally with several years in international bank auditing and reporting directly to Head Office. The ability to speak and write German an advantage.

EUROBOND DEALER c. £10,000
With 2 years' minimum experience of primary and secondary market dealing, F.R.N.s and straight in all major currencies, to assist the Chief Dealer. Fluent German will be useful.
Excellent benefits and conditions are offered, as is a progressive career structure.

LJC Banking Appointments

01-289 9653—for an immediate appointment

Newly Qualified Accountant

G. £8,000 Nr. London Bridge

National distributors of catering products are now seeking a newly qualified Accountant wishing to move into commerce.

The successful applicant would deputise for the Chief Accountant in his absence and be able to prepare monthly accounts for upwards of 30 cost centres against a strict timetable, additional duties would entail ad-hoc investigations into variances.

Candidates must be able to control and motivate staff and be able to communicate with all levels of management.

Write with full career details to:
Ivan Cann, Mathers & Bensons Advertising Ltd,
8b Lamb Conduit Passage, London WC1R 4RH.

Mathers & Bensons
Advertising Limited

INSTITUTIONAL DEALER AUSTRALIA

Potter Partners, one of Australia's leading stockbroking firms, has a vacancy in its London office for a Dealer/Advisor to service its international broking and institutional clients.

Applications in confidence to:

D. T. Clarke

POTTER PARTNERS

Estates House, 66 Gresham Street,
London EC2V 7AP

CORP. INTERNAL AUDITORS c. £11,000
U.K. univ. degree, single, 24/26. Tel.
Mrs. Ryan 629 9863. Acct. Exec. rec.

APPOINTMENTS WANTED

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Regd. with the C.F.T.C.

Experienced in physical and future markets. Specialised in Coffee, Cocoa, Currencies, Grains and Precious Metals. Fluent in English, German, Spanish and French. Looking for challenging position world wide.

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140 Grand Buildings, Trafalgar Square, London WC2.

"NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS"

THURSDAY 25th SEPTEMBER 1980

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 25th September, 1980, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

Advertising rates will be £19.50 per single column centimetre. Special positions are available by arrangement at premium rate of £22.00 per a.c.c. Copy date is Friday, 19th September. For further details, including reprints of previous features, please telephone 01-246 4601 or 4594 (direct lines).

Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

PUBLIC NOTICES

METROPOLITAN BOROUGH OF WYRAL

£2m Bill issued 10th September 1980

Applications: £15m. Total outstanding £2m.

SOMERSET C.C.

£2m Bill issued 10th September 1980

Applications: £15m. Total outstanding £2m.

BURNLEY BOROUGH COUNCIL

£225,000 Bill issued 10th September 1980

Applications: £15m. Total outstanding £225,000.

SUFFOLK COUNTY COUNCIL

£5,000,000 Bill issued 10th September 1980

Applications: £15m. Total outstanding £5,000,000.

NEWCASTLE BOROUGH COUNCIL

£1,000,000 Bill issued 10th September 1980

Applications: £15m. Total outstanding £1,000,000.

BOROUGH OF IPSWICH

£600,000 Bill issued 10th September 1980

Applications: £15m. Total outstanding £600,000.

BIRMINGHAM COUNCIL

£275m Bill issued 10th September 1980

Applications: £15m. Total outstanding £275m.

Minimum accepted price £26.33. Average rate of discount 214.72%. Total Bill outstanding £275m.

THE BOROUGH OF IPSWICH

£600,000 Bill issued 10th September 1980

Applications: £15m. Total outstanding £600,000.

THE BOROUGH OF IPSWICH

£600,000 Bill issued 10th September 1980

Applications: £15m. Total outstanding £600,000.

THE BOROUGH OF IPSWICH

£600,000 Bill issued 10th September 1980

Applications: £15m. Total outstanding £600,000.

COMPANY NOTICES

MURATA MANUFACTURING COMPANY LTD.

(CDR)

The undersigned announces that the

Annual Report 1980 of Murata

Manufacturing Company Ltd will be

available in London at:

Krestich S.A. Luxembourg

and further to Amsterdam at:

Agencio Bank Nederland N.V.,

American-Bankiers Bank N.V.,

Bank Mees & Hope N.V.,

Pierzon, Heering & Pierson N.V.,

Kas-Associatie N.V.

AMSTERDAM DEPOSITARY COMPANY N.V.,

Amsterdam, September 2, 1980

NOTICE OF PURCHASE

THE BOROUGH OF IPSWICH

£600,000 Bill issued 10th September 1980

Applications: £15m. Total outstanding £600,000.

THE BOROUGH OF IPSWICH

£600,000 Bill issued 10th September 1980

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Applications: £15m. Total outstanding £600,000.

THE BOROUGH OF IPSWICH

£600,000 Bill issued 10th September 1980

Applications: £15m. Total outstanding £600,000.

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT, 1948

AND IN THE MATTER OF LONDON RADIO PRODUCTIONS LTD.

Registered Office: 33 Clarendon Lane, Fetter Lane, London EC4A 1AH

NOTICE IS HEREBY GIVEN pursuant to Section 283 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at 33 Clarendon Lane, Fetter Lane, London EC4A 1AH, on Thursday, 11th September 1980 at 11.30 a.m. for the purpose mentioned in Section 284 of the said Act.

Dated this 14th day of August 1980.

By Order of the Board,

R. STUART CLARKE, Director.

[illegible]

17. $\frac{2.03}{8.53}$
 $\frac{0.23}{0.23}$
=

FT SHARE INFORMATION SERVICE

John Ford + Co
Industrial
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Advisers

BRITISH FUNDS

High Low Stock Price % Chg. Div. Yield

"Shorts" (Lives up to Five Years)

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

Five to Fifteen Years

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

Over Fifteen Years

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

Undated

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

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CORPORATION LOANS

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

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Telex: Editorial 895487L. Advertisements: 885033. Telegrams: Financial Times, London.
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Frankfurt Office: The Financial Times (Europe) Ltd., Frankfurterstrasse 68-72, 6000 Frankfurt-am-Main 1.
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LOANS

High Low Stock Price % Chg. Div. Yield

Public Board and Ind.

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

FOREIGN BONDS & RAILS

High Low Stock Price % Chg. Div. Yield

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

AMERICANS

High Low Stock Price % Chg. Div. Yield

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

BANKS AND HIRE PURCHASE

High Low Stock Price % Chg. Div. Yield

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

BUILDING INDUSTRY—Contd.

High Low Stock Price % Chg. Div. Yield

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0
96.0	95.5	British 100	96.0	+0.5	1.0	1.0
95.5	95.0	British 100	95.5	-0.5	1.0	1.0

CHEMICALS, PLASTICS

High Low Stock Price % Chg. Div. Yield

High	Low	Stock	Price	% Chg.	Div.	Yield
100.0	99.5	British 100	100.0	+0.5	1.0	1.0
99.5	99.0	British 100	99.5	-0.5	1.0	1.0
99.0	98.5	British 100	99.0	+0.5	1.0	1.0
98.5	98.0	British 100	98.5	-0.5	1.0	1.0
98.0	97.5	British 100	98.0	+0.5	1.0	1.0
97.5	97.0	British 100	97.5	-0.5	1.0	1.0
97.0	96.5	British 100	97.0	+0.5	1.0	1.0
96.5	96.0	British 100	96.5	-0.5	1.0	1.0

FINANCE, LAND—Continued

	High	Low	Stock	Price	+/-	Vol	Net	Chg	75%
91	290	287	Anglo-Africa 100	290	—	—	—	—	—
92	287	284	Anglo-Africa 100	284	—	—	—	—	—
93	284	281	Anglo-Africa 100	281	—	—	—	—	—
94	281	278	Anglo-Africa 100	278	—	—	—	—	—
95	278	275	Anglo-Africa 100	275	—	—	—	—	—
96	275	272	Anglo-Africa 100	272	—	—	—	—	—
97	272	269	Anglo-Africa 100	269	—	—	—	—	—
98	269	266	Anglo-Africa 100	266	—	—	—	—	—
99	266	263	Anglo-Africa 100	263	—	—	—	—	—
100	263	260	Anglo-Africa 100	260	—	—	—	—	—
101	260	257	Anglo-Africa 100	257	—	—	—	—	—
102	257	254	Anglo-Africa 100	254	—	—	—	—	—
103	254	251	Anglo-Africa 100	251	—	—	—	—	—
104	251	248	Anglo-Africa 100	248	—	—	—	—	—
105	248	245	Anglo-Africa 100	245	—	—	—	—	—
106	245	242	Anglo-Africa 100	242	—	—	—	—	—
107	242	239	Anglo-Africa 100	239	—	—	—	—	—
108	239	236	Anglo-Africa 100	236	—	—	—	—	—
109	236	233	Anglo-Africa 100	233	—	—	—	—	—
110	233	230	Anglo-Africa 100	230	—	—	—	—	—
111	230	227	Anglo-Africa 100	227	—	—	—	—	—
112	227	224	Anglo-Africa 100	224	—	—	—	—	—
113	224	221	Anglo-Africa 100	221	—	—	—	—	—
114	221	218	Anglo-Africa 100	218	—	—	—	—	—
115	218	215	Anglo-Africa 100	215	—	—	—	—	—
116	215	212	Anglo-Africa 100	212	—	—	—	—	—
117	212	209	Anglo-Africa 100	209	—	—	—	—	—
118	209	206	Anglo-Africa 100	206	—	—	—	—	—
119	206	203	Anglo-Africa 100	203	—	—	—	—	—
120	203	200	Anglo-Africa 100	200	—	—	—	—	—
121	200	197	Anglo-Africa 100	197	—	—	—	—	—
122	197	194	Anglo-Africa 100	194	—	—	—	—	—
123	194	191	Anglo-Africa 100	191	—	—	—	—	—
124	191	188	Anglo-Africa 100	188	—	—	—	—	—
125	188	185	Anglo-Africa 100	185	—	—	—	—	—
126	185	182	Anglo-Africa 100	182	—	—	—	—	—
127	182	179	Anglo-Africa 100	179	—	—	—	—	—
128	179	176	Anglo-Africa 100	176	—	—	—	—	—
129	176	173	Anglo-Africa 100	173	—	—	—	—	—
130	173	170	Anglo-Africa 100	170	—	—	—	—	—
131	170	167	Anglo-Africa 100	167	—	—	—	—	—
132	167	164	Anglo-Africa 100	164	—	—	—	—	—
133	164	161	Anglo-Africa 100	161	—	—	—	—	—
134	161	158	Anglo-Africa 100	158	—	—	—	—	—
135	158	155	Anglo-Africa 100	155	—	—	—	—	—
136	155	152	Anglo-Africa 100	152	—	—	—	—	—
137	152	149	Anglo-Africa 100	149	—	—	—	—	—
138	149	146	Anglo-Africa 100	146	—	—	—	—	—
139	146	143	Anglo-Africa 100	143	—	—	—	—	—
140	143	140	Anglo-Africa 100	140	—	—	—	—	—
141	140	137	Anglo-Africa 100	137	—	—	—	—	—
142	137	134	Anglo-Africa 100	134	—	—	—	—	—
143	134	131	Anglo-Africa 100	131	—	—	—	—	—
144	131	128	Anglo-Africa 100	128	—	—	—	—	—
145	128	125	Anglo-Africa 100	125	—	—	—	—	—
146	125	122	Anglo-Africa 100	122	—	—	—	—	—
147	122	119	Anglo-Africa 100	119	—	—	—	—	—
148	119	116	Anglo-Africa 100	116	—	—	—	—	—
149	116	113	Anglo-Africa 100	113	—	—	—	—	—
150	113	110	Anglo-Africa 100	110	—	—	—	—	—
151	110	107	Anglo-Africa 100	107	—	—	—	—	—
152	107	104	Anglo-Africa 100	104	—	—	—	—	—
153	104	101	Anglo-Africa 100	101	—	—	—	—	—
154	101	98	Anglo-Africa 100	98	—	—	—	—	—
155	98	95	Anglo-Africa 100	95	—	—	—	—	—
156	95	92	Anglo-Africa 100	92	—	—	—	—	—
157	92	89	Anglo-Africa 100	89	—	—	—	—	—
158	89	86	Anglo-Africa 100	86	—	—	—	—	—
159	86	83	Anglo-Africa 100	83	—	—	—	—	—
160	83	80	Anglo-Africa 100	80	—	—	—	—	—
161	80	77	Anglo-Africa 100	77	—	—	—	—	—
162	77	74	Anglo-Africa 100	74	—	—	—	—	—
163	74	71	Anglo-Africa 100	71	—	—	—	—	—
164	71	68	Anglo-Africa 100	68	—	—	—	—	—
165	68	65	Anglo-Africa 100	65	—	—	—	—	—
166	65	62	Anglo-Africa 100	62	—	—	—	—	—
167	62	59	Anglo-Africa 100	59	—	—	—	—	—
168	59	56	Anglo-Africa 100	56	—	—	—	—	—
169	56	53	Anglo-Africa 100	53	—	—	—	—	—
170	53	50	Anglo-Africa 100	50	—	—	—	—	—
171	50	47	Anglo-Africa 100	47	—	—	—	—	—
172	47	44	Anglo-Africa 100	44	—	—	—	—	—
173	44	41	Anglo-Africa 100	41	—	—	—	—	—
174	41	38	Anglo-Africa 100	38	—	—	—	—	—
175	38	35	Anglo-Africa 100	35	—	—	—	—	—
176	35	32	Anglo-Africa 100	32	—	—	—	—	—
177	32	29	Anglo-Africa 100	29	—	—	—	—	—
178	29	26	Anglo-Africa 100	26	—	—	—	—	—
179	26	23	Anglo-Africa 100	23	—	—	—	—	—
180	23	20	Anglo-Africa 100	20	—	—	—	—	—
181	20	17	Anglo-Africa 100	17	—	—	—	—	—
182	17	14	Anglo-Africa 100	14	—	—	—	—	—
183	14	11	Anglo-Africa 100	11	—	—	—	—	—
184	11	8	Anglo-Africa 100	8	—	—	—	—	—
185	8	5	Anglo-Africa 100	5	—	—	—	—	—
186	5	2	Anglo-Africa 100	2	—	—	—	—	—
187	2	—	Anglo-Africa 100	—	—	—	—	—	—
188	—	—	Anglo-Africa 100	—	—	—	—	—	—
189	—	—	Anglo-Africa 100	—	—	—	—	—	—
190	—	—	Anglo-Africa 100	—	—	—	—	—	—
191	—	—	Anglo-Africa 100	—	—	—	—	—	—
192	—	—	Anglo-Africa 100	—	—	—	—	—	—
193	—	—	Anglo-Africa 100	—	—	—	—	—	—
194	—	—	Anglo-Africa 100	—	—	—	—	—	—
195	—	—	Anglo-Africa 100	—	—	—	—	—	—
196	—	—	Anglo-Africa 100	—	—	—	—	—	—
197	—	—	Anglo-Africa 100	—	—	—	—	—	—
198	—	—	Anglo-Africa 100	—	—	—	—	—	—
199	—	—	Anglo-Africa 100	—	—	—	—	—	—
200	—	—	Anglo-Africa 100	—	—	—	—	—	—
201	—	—	Anglo-Africa 100	—	—	—	—	—	—
202	—	—	Anglo-Africa 100	—	—	—	—	—	—
203	—	—	Anglo-Africa 100	—	—	—	—	—	—
204	—	—	Anglo-Africa 100	—	—	—	—	—	—
205	—	—	Anglo-Africa 100	—	—	—	—	—	—
206	—	—	Anglo-Africa 100	—	—	—	—	—	—
207	—	—	Anglo-Africa 100	—	—	—	—	—	—
208	—	—	Anglo-Africa 100	—	—	—	—	—	—
209	—	—	Anglo-Africa 100	—	—	—	—	—	—
210	—	—	Anglo-Africa 100	—	—	—	—	—	—
211	—	—	Anglo-Africa 100	—	—	—	—	—	—
212	—	—	Anglo-Africa 100	—	—	—	—	—	—
213	—	—	Anglo-Africa 100	—	—	—	—	—	—
214	—	—	Anglo-Africa 100	—	—	—	—	—	—
215	—	—	Anglo-Africa 100	—	—	—	—	—	—
216	—	—	Anglo-Africa 100	—	—	—	—	—	—
217	—	—	Anglo-Africa 100	—	—	—	—	—	—
218	—	—	Anglo-Africa 100	—	—	—	—	—	—
219	—	—	Anglo-Africa 100	—	—	—	—	—	—
220	—	—	Anglo-Africa 100	—	—	—	—	—	—
221	—	—	Anglo-Africa 100	—	—	—	—	—	—
222	—	—	Anglo-Africa 100	—	—	—	—	—	—
223	—	—	Anglo-Africa 100	—	—	—	—	—	—
224	—	—	Anglo-Africa 100	—	—	—	—	—	—
225	—	—	Anglo-Africa 100	—	—	—	—	—	—
226	—	—	Anglo-Africa 100	—	—	—	—	—	—
227	—	—	Anglo-Africa 100	—	—	—	—	—	—
228	—	—	Anglo-Africa 100	—	—	—	—	—	—
229	—	—	Anglo-Africa 100	—	—	—	—	—	—
230	—	—	Anglo-Africa 100	—	—	—	—	—	—
231	—	—	Anglo-Africa 100	—	—	—	—	—	—
232	—	—	Anglo-Africa 100	—	—	—	—	—	—
233	—	—	Anglo-Africa 100	—	—	—	—	—	—
234	—	—	Anglo-Africa 100	—	—	—	—	—	—
235	—	—	Anglo-Africa 100	—	—	—	—	—	—
236	—	—	Anglo-Africa 100	—	—	—	—	—	—
237	—	—	Anglo-Africa 100	—	—	—	—	—	—
238	—	—	Anglo-Africa 100	—	—	—	—	—	—
239	—	—	Anglo-Africa 100	—	—	—	—	—	—
240	—	—	Anglo-Africa 100	—	—	—	—	—	—
241	—	—	Anglo-Africa 100	—	—	—	—	—	—
242	—	—	Anglo-Africa 100	—	—	—	—	—	—
243	—	—	Anglo-Africa 100	—	—	—	—	—	—
244	—	—	Anglo-Africa 100	—	—	—	—	—	—
245	—	—	Anglo-Africa 100	—	—	—	—	—	—
246	—	—	Anglo-Africa 100	—	—	—	—	—	—
247	—	—	Anglo-Africa 100	—	—	—	—	—	—
248	—	—	Anglo-Africa 100	—	—	—	—	—	—
249	—	—	Anglo-Africa 100	—	—	—	—	—	—
250	—	—	Anglo-Africa 100	—	—	—	—	—	—
251	—	—	Anglo-Africa 100	—	—	—	—	—	—
252	—	—	Anglo-Africa 100	—	—	—	—	—	—
253	—	—	Anglo-Africa 10						

[illegible][illegible]

25	74	25	10	15	5.0	0.9	0.7
26	235	42	Amor Nigra 10g	309	15.0	0.9	0.7
27	235	42	Aval Hima SAM1	309	15.0	0.9	0.7
28	230	42	Berari Tim	309	15.0	0.9	0.7
29	230	42	Berilima SAM1	309	15.0	0.9	0.7
30	150	150	Greeny	150	8.3	1.7	1.7
31	122	122	Gold & Blue 12g	122	12.2	1.0	1.0
32	230	42	30peta SAM1	309	15.0	0.9	0.7
33	435	280	90	435	28.0	1.0	1.0
34	122	90	Hoonkoms	435	28.0	1.0	1.0
35	122	90	Horis 10g	435	28.0	1.0	1.0
36	122	90	Horis 10g	435	28.0	1.0	1.0
37	122	90	Horis 10g	435	28.0	1.0	1.0
38	122	90	Horis 10g	435	28.0	1.0	1.0
39	122	90	Horis 10g	435	28.0	1.0	1.0
40	122	90	Horis 10g	435	28.0	1.0	1.0
41	122	90	Horis 10g	435	28.0	1.0	1.0
42	122	90	Horis 10g	435	28.0	1.0	1.0
43	122	90	Horis 10g	435	28.0	1.0	1.0
44	122	90	Horis 10g	435	28.0	1.0	1.0
45	122	90	Horis 10g	435	28.0	1.0	1.0
46	122	90	Horis 10g	435	28.0	1.0	1.0
47	122	90	Horis 10g	435	28.0	1.0	1.0
48	122	90	Horis 10g	435	28.0	1.0	1.0
49	122	90	Horis 10g	435	28.0	1.0	1.0
50	122	90	Horis 10g	435	28.0	1.0	1.0
51	122	90	Horis 10g	435	28.0	1.0	1.0
52	122	90	Horis 10g	435	28.0	1.0	1.0
53	122	90	Horis 10g	435	28.0	1.0	1.0
54	122	90	Horis 10g	435	28.0	1.0	1.0
55	122	90	Horis 10g	435	28.0	1.0	1.0
56	122	90	Horis 10g	435	28.0	1.0	1.0
57	122	90	Horis 10g	435	28.0	1.0	1.0
58	122	90	Horis 10g	435	28.0	1.0	1.0
59	122	90	Horis 10g	435	28.0	1.0	1.0
60	122	90	Horis 10g	435	28.0	1.0	1.0
61	122	90	Horis 10g	435	28.0	1.0	1.0
62	122	90	Horis 10g	435	28.0	1.0	1.0
63	122	90	Horis 10g	435	28.0	1.0	1.0
64	122	90	Horis 10g	435	28.0	1.0	1.0
65	122	90	Horis 10g	435	28.0	1.0	1.0
66	122	90	Horis 10g	435	28.0	1.0	1.0
67	122	90	Horis 10g	435	28.0	1.0	1.0
68	122	90	Horis 10g	435	28.0	1.0	1.0
69	122	90	Horis 10g	435	28.0	1.0	1.0
70	122	90	Horis 10g	435	28.0	1.0	1.0
71	122	90	Horis 10g	435	28.0	1.0	1.0
72	122	90	Horis 10g	435	28.0	1.0	1.0
73	122	90	Horis 10g	435	28.0	1.0	1.0
74	122	90	Horis 10g	435	28.0	1.0	1.0
75	122	90	Horis 10g	435	28.0	1.0	1.0
76	122	90	Horis 10g	435	28.0	1.0	1.0
77	122	90	Horis 10g	435	28.0	1.0	1.0
78	122	90	Horis 10g	435	28.0	1.0	1.0
79	122	90	Horis 10g	435	28.0	1.0	1.0
80	122	90	Horis 10g	435	28.0	1.0	1.0
81	122	90	Horis 10g	435	28.0	1.0	1.0

25	74	25	10	15	5.0	0.9	0.7
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67	122	90	Horis 10g	435	28.0	1.0	1.0
68	122	90	Horis 10g	435	28.0	1.0	1.0
69	122	90	Horis 10g	435	28.0	1.0	1.0
70	122	90	Horis 10g	435	28.0	1.0	1.0
71	122	90	Horis 10g	435	28.0	1.0	1.0
72	122	90	Horis 10g	435	28.0	1.0	1.0
73	122	90	Horis 10g	435	28.0	1.0	1.0
74	122	90	Horis 10g	435	28.0	1.0	1.0
75	122	90	Horis 10g	435	28.0	1.0	1.0
76	122	90	Horis 10g	435	28.0	1.0	1.0
77	122	90	Horis 10g	435	28.0	1.0	1.0
78	122	90	Horis 10g	435	28.0	1.0	1.0
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Miscellaneous						
180	75	Anglo-Dominion	132	+7	-	-
97	52	Garyville	125			
17	17	Bermis Mines 10c	152			
512	285	Anglo-American	350	0.82	1.1	64
505	285	Cons. Murch. 10c	350	2200	1.8	16
180	80	TT-Hemlock 10c	240			
525	320	Verderberg CSt	475			
97	17	R.2	475	15.0	3.2	45
35	16	Robert Mines	27	+2		
112	97	HSWPC Inactive 10c	94			
45	25	HSWPC Inactive 10c	94			
51	31	HSWPC 10c	4			
650	411	Tara Expts. 31	565	+34		

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Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated prices/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/E's are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unwritten ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "all" distribution. Covers are based on "taxation" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated areas of profitability. ACT. Yields are based on middle prices, are gross, adjusted to ACT or

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- * "Up" stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- + Interim since increased or resumed.
- + Interim since reduced, passed or deferred.
- ++ Tax-free to non-residents on application.
- ++ Figures or report awaited.
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- 4 Same interim: reduced final and/or reduced earnings indicated.
- 5 Forecast dividend; cover on earnings updated by latest interim statement.
- 7 Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividend.
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official estimate. **c** Cont. **d** Dividend rate paid or payable on part of the capital; cover based on dividend on full capital. **e** Redemption yield. **f** Flat yield. **g** Assumed dividend and yield. **h** Assumed dividend and yield after scrip issue. **i** Payment from capital sources. **k** Keogh. **l** Income higher than previous total. **m** Rights issue pending. **n** Earnings based on preliminary figures. **o** Dividend and yield calculated on a special payment. **p** Indicated dividend; cover relates to preliminary dividend. **q** Dividend, P/E ratio based on latest annual earnings. **r** Forward dividend; cover based on previous year's earnings. **s** Tax free up to £1,000 dividend; cover based on previous year's earnings. **t** Dividend and yield based on previous year's earnings. **u** Dividend and yield based on previous year's earnings.

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Preference dividend passed or deferred. 3 Canadian. 4 Minority
tender price. P Dividend and yield based on prospectus or other official
estimates for 1979-80. Q Assumed dividend and yield after pending
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other official estimates for 1980-81. X Flowers based on prospectus
or other official estimates for 1979-80. M Dividend and yield based on
prospectus or other official estimates for 1980. I Dividend and yield
based on prospectus or other official estimates for 1981. P Figure
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T Flowers assumed. 2 Dividend total to date.

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REGIONAL MARKETS

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Crigley & Rose	511	2	51
Phil Forge	36		
Friday Play, 3c	19		
Grady Ship, 2c	112		
Wissner Brew		+2	
Moist (Ass) Jcs	108		
I.O.M. 2c	132		
Pearce (C. H.)	465		
Pied Mills	46		
Sherr, Reliance	182		
Stanley (Wm.)	140		
Alipance Gas			51
Arrest			280
Carroll (P. J.)			76
Clonidine			132
Concrete Pumps			280
Histon (Hidges)			42
Irish Paper			275
Jacob			31
M. H. G.			77
Vandure			

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3-month Call Rates			
Industrials			
A. Brew.	7	I.C.I.	27
BOC Int'l.	6	"Imps"	6 1/2
B.S.R.	6 1/2	"C.I."	14
Bahcock	6 1/2	Wesrock	4
		Washworth	15
		Property	

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		Property	

2	Boats	16	"Let's	34	MSF	34
3	Bonglers	16	London Brick	34	MEPC	34
4	B.O.T.	26	Lucas Inds.	34	Podchey	34
5	Brown (J.)	26	"Marcs	34	Samuel Progs.	34
6	Barton A	26	Miles & Spnc	34	Towns & City	2
7	Calderys	26	Midland Bank	34		
8	Courtyards	26	M.F.I.	34		
9	Debenhams	26	Nat. West. Bank	34	Brit. Petroleum	34
0	Diplomers	27	P.O. D.D.	34	Burnham Oil	34
1	Dynalco	27	Pleasury	34	Chamberlain	34

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7	Gm. Rembrandt	29	Road Org.	16	Tricentrol	
3	Ges. Electric	35	Reed Intnl.	16	Uphamer	
	Glass	18	Sears	9		
	Grand Mkt.	12	Tesco	5		
	G.W.S.'A'	24	Thorn	15	Alfres	
9	Guardian	23	Trust Houses	15	Chater Cons.	1/4
4	G.N.	20	Tulse Invt.	4	Cass. Gold	4/6
3	Hewitt Stodd	25	Unilever	15	Lambro	
5	House of Fraser	15	U.O.T.	15	Rio T. Zinc	

A selection of Outlets traded in prices on the

7	Gm. Acoustic	29	Road Org.	16	Tricordial
3	Gsa. Electric	35	Reed Infl.	16	Uphammer
	Glam	18	Sears	9	
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5	House of Fraser	15	U.O.T.	15	Rio T. Zinc

A selection of Outlets traded in prices on the

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This service is available to every Company dealt in on the
Exchanges throughout the United Kingdom for a fee of £5
per annum for each security

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FINANCIAL TIMES

Thursday September 11 1980

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France aims to boost economy

By Robert Mauthner in Paris

THE FRENCH draft budget for 1981, adopted by the Cabinet yesterday, combines a limitation of public spending and the overall deficit with tax incentives to investment, aimed at stimulating the flagging economy.

The most important measure in the budget is the aid which will be given to investment in the next five years—the duration of the eighth Plan—through tax incentives.

From October 1, all companies will be entitled to deduct from their taxable profits a sum equal to 10 per cent of their annual investments. It is calculated that this measure will cost the Treasury about FF1.5bn (£500m) a year, or FF1.25bn to the end of 1985, the period during which the scheme remains valid.

The investment incentives come on top of the FF1.1bn package of measures to stimulate export industries and the FF1.1bn in extra handouts to parents and people to stimulate consumption, adopted by the Government only a week ago.

The Government has earmarked FF1.65bn for a special economic development fund, to be used only if it is considered that the economy urgently needs an injection of funds.

The overall deficit has been kept down to FF1.25bn (about £3bn) compared with an initial projected shortfall of FF1.31bn in 1980 and a probable outcome for the year of FF1.35bn. If the deficit target is met, which has rarely been the case over the past few years, the shortfall will represent only 0.95 per cent of GDP in 1981.

Clearly with an eye on next spring's presidential election, the Government has carried out its promise not to increase the burden of income tax. Most income-tax bands have been adjusted by 13.3 per cent only to take account of inflation, which means only those in the very top income brackets will have to pay more taxes in real terms.

But what the Government has conceded in income tax it has partially made up in increased tax receipts from other sources. Apart from raising duties on spirits and tobacco, it has imposed stiffer taxes on oil companies operating in France.

This measure will mainly affect the French state-owned Elf-Aquitaine group, which exploits the natural gasfield Lacq, in south-western France, and to a much lesser extent, Esso, which produces some oil in the nearby Landes region.

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Weather

UK TODAY
BRIGHT BECOMING cloudy, with showers and heavy rain and strong gale-force and cyclonic winds.
London, S.E., C.S., C.N., N.E. and E. England, E. Anglia, E. and W. Midlands, Channel Islands
Dry with sunny intervals, becoming cloudy with heavy rain at times and cyclonic winds later. Max. temps 17C (62F) to 19C (66F).
N.W. England, Lake District, N. Wales, L.M., Borders, Edinburgh, Dundee, S.W. Scotland, Glasgow, C. Highlands, Argyll, N. Ireland
Bright at first, heavy rain, showers later.
S.W. England and S. Wales
Aberdeen, Moray Firth, N.E. and N.W. Scotland, Orkney, Shetland
Cloudy, scattered showers.

WORLDWIDE

	Y'day	Today	Y'day	Today	
	midday	midday	midday	midday	
Azores	23	23	Lisbon	28	29
Algiers	28	28	Locarno	23	23
Amman	15	16	London	18	19
Aden	28	29	Luxemb.	13	13
Bahrain	31	31	Luxor	36	37
Batavia	28	29	Madrid	26	27
Bombay	28	28	Majorca	24	25
Buenos Aires	13	13	Malaga	26	27
Calcutta	20	20	Moscow	26	27
Canton	16	16	Mexico	14	15
Cebu	20	20	M. Mcherr.	17	17
Colon	17	18	M. Mcherr.	17	17
Dacca	15	16	M. Mcherr.	17	17
Dhaka	20	20	M. Mcherr.	17	17
Delhi	20	20	M. Mcherr.	17	17
Dubai	16	16	M. Mcherr.	17	17
Edinburgh	15	15	M. Mcherr.	17	17
Faro	28	28	M. Mcherr.	17	17
Geneva	17	17	M. Mcherr.	17	17
Hankow	15	15	M. Mcherr.	17	17
Hong Kong	15	15	M. Mcherr.	17	17
Indrapur	16	16	M. Mcherr.	17	17
Islamabad	16	16	M. Mcherr.	17	17
Jakarta	16	16	M. Mcherr.	17	17
Johannesburg	22	22	M. Mcherr.	17	17
Kuala Lumpur	17	17	M. Mcherr.	17	17
L. Pines	24	24	M. Mcherr.	17	17

C-Cloudy, F-Fair, R-Rain, S-Sunny

China's new leaders approved

By TONY WALKER IN PEKING

CHINA'S NATIONAL People's Congress closed yesterday with an official endorsement of a new Prime Minister and new Vice-Premiers in one of the largest leadership reshuffles in its history.

Six Vice-Premiers together with Premier Hua Guofeng resigned their state jobs and another was sacked. These changes are designed to put China's modernisation programme in more expert hands with emphasis on economic managers such as Zhao Ziyang, who has formally taken over as Premier.

The Congress approved a shift of direction in China's economic policy towards a more market-oriented system. State enterprises will bear more responsibility for running their own affairs and be expected to be profitable.

Delegates passed laws establishing a tax rate for joint ventures with foreign partners. The Congress also paved the way for income-tax to be introduced to China and the tax system to be restructured.

In this combination of leadership changes and economic reforms, the third session of the fifth Congress—the country's Parliament—is regarded as one of the most important yet held.

Delegates were also more open and foreign journalists and diplomats were able to attend key sessions.

At yesterday's meeting, two of the 3,221 delegates took the unusual step of openly voting against or abstaining on an important amendment to the constitution.

Those appointed Vice-Premiers include Huang Hua, the 57-year-old Foreign Minister, Yang Jingren, 62, minority nationalities leader, and Zhang Aiping, 70, now Deputy Chief of the General Staff of the People's Liberation Army.

Vice-Premiers who resigned included Deng Xiaoping, who as a senior party leader will continue to have a major role in supervising the changes he initiated, Li Xian'an and Chen Yun. All three are members of the standing committee of China's ruling politburo.

Zhao Ziyang, 62, is also a member of the politburo's standing committee, ranking seventh in the hierarchy of the Communist Party.

The closing address to the Congress was given by Marshal

Ye Jianying, who paid tribute to older Vice-Premiers who had retired.

The number of Vice-Premiers is now 13, down from 17. The normal number in years past was about 12.

The closing of the State Congress clears the way for the holding of a National Party Congress, perhaps late this year or early next year.

The Party Congress will tackle difficult questions relating to a judgment of Mao's contribution to the revolution including a revision of the fifth volume of his selected works.

In the meantime, a trial of the so-called Gang of Four, headed by Mao's widow, Jiang Qing, is expected to be held, perhaps starting in the next few weeks.

At least Babcock International has maintained its interim dividend which may be why the shares rose 6p to 96p yesterday. But in most other respects, its statement makes grim reading.

Profits are down from £15.5m to £6.1m pre-tax interest costs are only covered 1.6 times and the dividend is not covered by historic cost earnings.

The main crunch has come in North America, where profits have fallen by maybe £5m or £6m pre-tax, and the group is not making enough to cover its and one of the worst hit companies has been the Keeler Corporation, which Babcock bought last year for \$75m and which is now just about breaking even before allowing for the finance costs of the acquisition.

Elsewhere, the contracting side is losing money following a sharp fall in the working (notably at Wood-Jackson and on water treatment). This has been offset by an improvement in power engineering. But Babcock has also had to cope with losses in its German contracting company, and much higher finance costs.

The current half performance should be rather better, partly for seasonal reasons and because of special costs last year. That will make the income less daunting and the capital gearing is unlikely to rise much this year. But overall profits could still be down from £32m to under £20m pre-tax, and the scope for recovery next year seems limited. After a long period of expansion, Babcock—along with so many other companies—is now talking about cutting out peripheral activities and concentrating on its main stream businesses.

MLR
Enthusiasm over the Treasury's statement on Tuesday boiled over yesterday in the gilt-edged market, though the underlying tone remains good, and period rates in the money market are now significantly below the level of a couple of weeks ago. The City is now expecting any change in Minimum Lending Rate today, but there is a conviction that the authorities will react to any passably convincing opportunity offered by the next set of banking figures. The more cynical market men have not failed to notice that the statistics relating to the September banking month will become available to the government just in time for the Tory party conference.

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when there are signs that foreigners are taking the opportunity to pull out now that they have recovered most of their paper losses suffered in August. Inevitably they are worried about the level of sterling if the Government should embark on a serious move towards lower money rates. So although a new tap stock is likely to be launched tomorrow it could feature calls spread well forward into October and November.

As for the equity market, it has continued to creep ahead through the ups and downs of monetary fortunes in the past couple of months. Like gilts, equities suffered a late setback yesterday, but this came mostly after hours and the All-Share Index reached a new all-time high of 295.48; it is now showing a gain of 29 per cent on the year so far.

Thomas Tilling
After last year's £79.5m-worth of acquisitions the stock market was expecting great things from Thomas Tilling. So the rise in pre-tax profits of a mere 4 per cent to £30.1m at the halfway stage came as something of a shock and in spite of the 4p increase in the interim dividend the shares were marked down 16p yesterday to 160p.

In fact, the U.S. acquisitions have contributed nothing at all on balance after financing charges due to a large, albeit expected, loss in the quarry company Tilton-Warren. Meanwhile, the recession in the UK has hit trading in several divisions and the rise of 11.2 per cent in turnover in established businesses has been well below the rate of inflation. Profits are down in the publishing, business, furniture, construc-

tion materials, agricultural engineering and industrial equipment distribution.

The group has spent a further £30m cash so far this year on acquisitions, while capital expenditure may move up from £69m to £80m. So net debt is unlikely to come down from the New Year level of two-fifths of capital employed. Certainly the group seems particularly keen on conserving cash at the moment, with heavy de-stocking and a delayed dividend payment designed to reduce the 1980 tax bill. With the UK squeeze continuing, pre-tax profits for the full year may be no better than the £31.1m in 1979. The prospective p/e is about 104, fully-taxed.

P&O
P & O's interim statement confirms the forecast which it made in May of a modest profit increase this year. But the market had been hoping for more, and the shares fell 14p to 122p yesterday. The group has not been able to make much out of a firm trend in bulk rates earlier this year, because of its limited exposure to the spot market, and it has not had the benefit of the big turnaround in Nigeria which had such a big impact on Oceanic's figures. Indeed its hopes for an improvement in 1980—following a 6 per cent decline to £12.9m pre-tax after six months—are pinned mainly on its non-shipping interests.

Thus its oil trading activities have been extremely profitable, and the energy sector could well double last year's operating surplus of £8.5m. The construction side is doing surprisingly well, and although profits are down so far due to the timing of contract completions, an increase for the year is in view. There should also be a bit more from property and banking.

However there has not been much progress on cargo liners and bulk shipping, and the cross channel ferry business will be badly hit in the current half by the French fishing dispute and by price competition.

The short term outlook—and the scope for an increase in the final dividend—rests heavily on the trend in interest rates. Disposals have reduced borrowings at the half-way stage to £292m, against £413m a year earlier, and operating cash flow should more than cover this year's capital requirements. Yet interest costs this year may only be marginally lower than 1979's £41.8m. The historic dividend yield of 3.4 per cent is looking for better things in 1981.

EEC Commission seeks control of shipyard aid

By JOHN WYLES IN BRUSSELS

EEC member states look set to adopt by the end of the year a shipbuilding directive, approved by the Brussels Commission yesterday, which for the first time could give Brussels powers of approval over all financial aid for loss-making shipyards and over schemes to encourage shipowners to place more orders.

With Community shipbuilding industries still savagely depressed and all but overwhelmed by Japanese competition in the first half of this year, the directive is intended to prolong measures introduced by the fourth directive in 1978.

That expires at the end of this year. It allowed governments to provide aid, providing it was linked to the reduction of shipyard capacity and, among other things, was designed to prevent destructive competition among the Nine.

The new draft, while broadly similar, contains several elements designed to bring more openness to aids for both private and publicly-owned shipbuilders.

The draft has been welcomed by the Nine in preliminary working group discussions, with only Italy raising detailed objections. Like the UK industry, Italian shipbuilding is largely state-owned and Italy has opposed the directive's attempt to bring compensation for overall financial losses within the scope of disciplines to be administered from Brussels.

But the Commission believes that, in deciding how much state aid is justified by market conditions, it must also be free to take into account the impact of losses subsidised by governments or private holding companies on orders and restructuring programmes.

Until now, member states which aid shipowners (mainly Belgium and Denmark) have had only to report their schemes to the Commission. These reports indicate that such direct incentives result almost exclusively in orders for home shipyards.

By bringing the incentives into the scope of the directive, the commission hopes to ensure that restructuring programmes are not artificially delayed and shipyards of other member states are not discriminated against.

The Commission also wants to distinguish between emergency rescue aid for a shipbuilding or ship repair yard, and production aid which can only be linked to restructuring. Italy does not make this distinction in its aid programmes and also objects to this provision.

It is conceded that most EEC shipbuilding industries have been pared back to the bone and that a 35 per cent drop in employment between 1975 and 1979 and a 40 per cent drop in output leave little further room for restructuring.

Thus the Commission decided that, with no speedy end to the industry's crisis in sight, the notion of restructuring must be interpreted more flexibly so that more emphasis is put on modernisation and rationalisation rather than on pure reduction of capacity.

ITT threatens to sell subsidiary unless it wins French orders

By TERRY DODSWORTH IN PARIS

THE International Telephone and Telegraph Corporation, the U.S. conglomerate, has directly warned the French authorities that it might sell CGCT, its telecommunications subsidiary in France, if it is not given French Post Office orders for its new telephone-exchange equipment.

The threat was delivered by Mr. John Guilfoyle, head of ITT Europe. It comes two years after the group's System 12 digital-exchange equipment was introduced by its European subsidiaries in Belgium, West Germany and France.

System 12 has been sold to several European countries. But it has not won an order in France, in spite of the rapid expansion of the country's telephone network which is providing strong support for the two indigenous companies, CIT-Alcatel and Thomson-CSF.

The French subsidiary yesterday denied reports that it might have to make up to 1,000 of its 9,000 workforce redundant next year if the orders were not forthcoming. But it said it was running into an extremely difficult situation as sales of its current system, Metacocta, decline.

Last year, CGCT lost FF1.06m (£26.5m) on a turnover of FF1.17bn. It is forecasting lower losses for this year.

CGCT can point to a strong export record to support its claims. Its sales overseas amount to about 16 per cent of its turnover and account at present for 40 per cent of total French telecommunications exports.

The company says these export sales will also be threatened if it does not have the approval of the French Post Office (PTT) to support its efforts overseas. CIT-Alcatel and Thomson-CSF have a close understanding with the PTT, which has itself been keen to exportations of its telecommunications exports.

In the past few months these points have been put to both the PTT and the Government including, it is believed, M. Raymond Barre, the Prime Minister.

The company is resorting to public pressure now because it needs, a considerable lead-time in advance of delivery, due to begin for other ITT subsidiaries at the end of next year. CGCT says French orders of at least 200,000 lines a year will be necessary to keep it in being at its present size.

ITT has run down its operations in France in recent years. Its biggest divestment, about four years ago, was directly due to Government intervention. It was virtually forced to sell off its LMT telecommunications subsidiary to Thomson to help the French group establish a viable side in this sector.

Since then, in its phase of overseas retrenchment, ITT has divested itself of Oceanic, its television-set subsidiary, Lampes Claude, a light-bulb producer, and several smaller companies.

Prentice talk in Australia

MR. REG PRENTICE, a former Labour cabinet minister and now Minister for Social Security, is to give a lecture in Australia, "The Decline of the British Labour Movement". The event is the annual Sir Robert Menzies memorial

lecture, organised by the Australian Liberal Party.

Mr. Prentice is to describe the decline of the Labour Party from the days of Attlee and Bevin until, as he put it, "its pathetic situation today."

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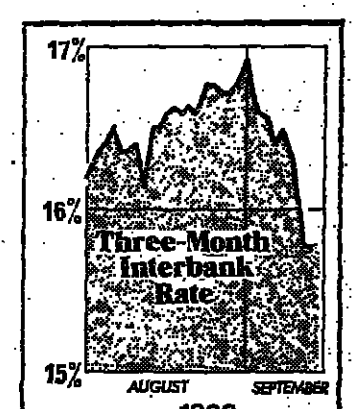
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THE LEX COLUMN

Babcock hit by U.S. troubles

Index fell 2.1 to 501.8



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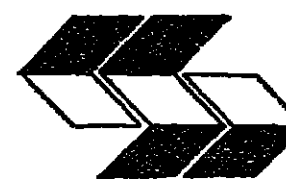
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